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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	AGCS Marine Insurance Company
<b>TOI/Sub-TOI:</b>	09.0 Inland Marine/09.0005 Other Commercial Inland Marine		
<b>Product Name:</b>	Traditional Non-Filed Inland Marine		
<b>Project Name/Number:</b>	AGCS Inland Marine-Construction Block Form Filing/NWCM0616		

## Filing at a Glance

Company:	AGCS Marine Insurance Company
Product Name:	Traditional Non-Filed Inland Marine
State:	District of Columbia
TOI:	09.0 Inland Marine
Sub-TOI:	09.0005 Other Commercial Inland Marine
Filing Type:	Form
Date Submitted:	11/11/2016
SERFF Tr Num:	FFDC-130800798
SERFF Status:	Assigned
State Tr Num:	
State Status:	
Co Tr Num:	NDCCM0616
Effective Date	01/15/2017
Requested (New):	
Effective Date	01/15/2017
Requested (Renewal):	
Author(s):	Gloria Goldbranson, Candace Arterberry, Kellee da Roza, Angela Reziah
Reviewer(s):	Angela King (primary)
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

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## General Information

Project Name: AGCS Inland Marine-Construction Block Form      Status of Filing in Domicile: Pending Filing

Project Number: NWCM0616

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 11/14/2016

State Status Changed:

Deemer Date:

Created By: Angela Reziah

Submitted By: Candace Arterberry

Corresponding Filing Tracking Number:

Filing Description:

We are submitting for your review and approval a revision to the Traditional Non-Filed Inland Marine Construction Block forms and endorsements program offering as detailed in our explanatory memorandum. The revision consolidates existing forms and endorsements into one coverage form or endorsement and provides additional coverages.

We proposed an effective date is January 15, 2017 for new and renewal business.

## Company and Contact

### Filing Contact Information

Candace Arterberry, Regulatory Services      Candace.arterberry@ffic.com  
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225 W. Washington      312-441-5491 [Phone]  
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Chicago, IL 60606-3484

### Filing Company Information

AGCS Marine Insurance Company	CoCode: 22837	State of Domicile: Illinois
225 W. Washington St., Suite 1800	Group Code: 761	Company Type:
Chicago, IL 60606	Group Name: Allianz Insurance	PropertyCasualty
(888) 466-7883 ext. [Phone]	Group	State ID Number:
	FEIN Number: 36-6033855	

## Filing Fees

Fee Required?      No

Retaliatory?      No

Fee Explanation:

**State:** District of Columbia  
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**Filing Company:** AGCS Marine Insurance Company

## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
1		Construction Block Coverage Form	CB 4710	10-16	PCF	Replaced	Previous Filing Number:	PERR-126265827		CB 4710 10 16 Construction Block Coverage Form.pdf
							Replaced Form Number:	CB4710 01 10		
2		Construction Block Additional Coverages Endorsement	CB 4715	10-16	END	Replaced	Previous Filing Number:	PERR-126265827		CB 4715 10 16 Construction Block-Additional Coverages End.pdf
							Replaced Form Number:	CB4715 01 10		
3		Construction Block - Construction Plus Endorsement	CB 4717	10-16	END	Replaced	Previous Filing Number:	PERR-126265827		CB 4717 10 16 Construction Block-Construction Plus End.pdf
							Replaced Form Number:	CB 4717 01 10		
4		Construction Block - Rate Schedule	CB 4718	10-16	DEC	Replaced	Previous Filing Number:	PERR-126265827		CB 4718 10 16 Construction Block-Rate Sch.pdf
							Replaced Form Number:	CB 4718 01 10		
5		Construction Block - Earth Movement Coverage Endorsement	CB 4721	10-16	END	Replaced	Previous Filing Number:	PERR-126265827		CB 4721 10 16 Construction Block-Earth Movement End.pdf
							Replaced Form Number:	CB 4721 01 10		
6		Construction Block – Water Coverage Endorsement	CB 4722	10-16	END	Replaced	Previous Filing Number:	PERR-126265827		CB 4722 10 16 Construction Block-Water End.pdf
							Replaced Form Number:	CB 4722 01 10		
7		Construction Block – Earnings, Rents and Soft Costs Endorsement with Optional Green Plus Coverage Endorsement	CB 4725	10-16	END	New				CB 4725 10 16 Construction Block-Earnings Rents Soft Costs Green Plus.pdf
8		Construction Block – Protective Safeguards Endorsement	CB 4726	10-16	END	New				CB 4726 10 16 Construction Block Protective Safeguards End.pdf

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Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
9		Construction Block - Ordinance or Law Endorsement	CB 4716	01-10	END	Withdrawn	Previous Filing Number:			
							Replaced Form Number:			
10		Construction Block-Soft Cost Endorsement	CB 4719	01-10	END	Withdrawn	Previous Filing Number:			
							Replaced Form Number:			
11		Construction Block-Testing Endorsement	CB 4720	01-10	END	Withdrawn	Previous Filing Number:			
							Replaced Form Number:			

#### Form Type Legend:

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions
<b>ERS</b>	Election/Rejection/Supplemental Applications	<b>OTH</b>	Other

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### Construction Block Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to AGCS Marine Insurance Company, the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. They may be defined subsequently or their definitions may be found in Section F. Definitions.

In return for "your" payment of the premium shown in the Declarations which are part of this policy, "we" provide the coverage described herein subject to all the conditions of this policy. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

#### A. Coverage

"We" will pay for "Loss" to Covered Property from any of the Covered Causes of Loss.

##### 1. Covered Property

###### a. Covered Property means:

- (1) "Your" equipment, tools and machinery, including spare parts, repair parts and accessories that "you" own or for which "you" are liable.
- (2) Buildings or structures in the course of construction, including property used in or incidental to construction at a construction site. Labor and profit are included.
- (3) Materials, supplies, machinery, equipment and fixtures "you" own or for which "you" are liable or which "you" have contracted to install or erect provided that the values for this property have been reported to the company if this policy is issued on a reporting basis. Labor and profit are included.

###### b. Coverage Conditions

###### (1) Duration of Coverage

- (a) With respect to A.1.a.(2) and A.1.a.(3) "we" will provide coverage from the time Covered Property becomes "your" responsibility, during construction or installation, including while Covered Property is being transported to the construction or installation site until one of the following situations occurs:
  - (i) The policy expires;
  - (ii) "Your" interest in, or responsibility for, any Covered Property ceases; or
  - (iii) The "Covered Property" is accepted by the purchaser or owner.

##### 2. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

##### 3. Extensions of Coverage

###### a. Contract Penalty Clause Coverage

1. "We" will pay the contractual penalties "you" are required to pay to "your" customers as a result of any clause in "your" contracts for failure to timely deliver "your" product according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.
2. The most "we" will pay for penalties for all contracts in any one "Occurrence" is \$25,000.

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### **b. Debris Removal Coverage**

- (1) "We" will pay "your" reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to "us" in writing within 180 days of the date of the direct physical loss or damage.
- (2) The most "we" will pay under this Additional Coverage is the lesser of 25% of:
  - (a) The amount "we" pay for the "Loss" to Covered Property; plus the deductible in this policy applicable to that "Loss"; or
  - (b) The applicable Limit of Insurance for Covered Property:
    - (i) At the Job Site;
    - (ii) At a location other than the Job Site; or
    - (iii) In Transit;
 Where the "Loss" occurs.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

- (c) This Additional Coverage does not apply to costs to:
  - (i) Extract "Pollutants" from land or water; or
  - (ii) Remove, restore or replace polluted land or water.

### **c. Denial of Access by Civil Authority**

"We" will pay for additional reasonable expense "you" incur as a result of a delay in the completion of the installation or construction at any one construction site resulting from the actions of a Civil Authority to deny ingress or egress to the construction site due to unsafe road conditions resulting from a Covered Cause of Loss provided that:

- (1) All roads providing ingress or egress to the construction site have been closed by the Civil Authority; and
- (2) "You" would not have incurred a delay but for the closure of all roads providing ingress or egress to the "Site";

This coverage begins seventy-two (72) hours after the action of a Civil Authority to deny ingress or egress to the construction site. The most "we" will pay under this Additional Coverage is \$100,000 in any one "Occurrence" for reasonable expenses incurred as a result of delay following the 72 hour waiting period.

### **d. Earnings, Rents and Soft Costs**

"We" cover "Loss of Earnings" and "Rental Value" "you" lose, or "Soft Costs" "you" incur because of a Covered Cause of Loss under the policy. The most "we" will pay for any one "Loss" is \$25,000. "Soft costs" means additional expenses over and above the projected cost of the covered construction project which occurs because of a Covered Cause of Loss which delays the project, and are limited to just these things:

- (1) Additional interest expense on money "you" borrow to finance construction or repair;
- (2) Additional realty taxes and real estate assessments which you incur for the period of time that construction has been extended beyond the projected completion date that existed before the loss occurred;
- (3) Additional advertising and promotional expenses which become necessary as a result of a covered loss;
- (4) Additional commissions, which result from renegotiation of leases following an interruption to the project; and

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(5) Additional reasonable and necessary legal, accounting, architectural, artisan or archival consultation expenses which you incur because of a "Loss".

### e. Employees' Tools and Work Clothing

"We" cover tools and work clothing of "Employees" for which "you" may be liable while such tools and work clothing are located at job sites or while in transit to or from job sites in "your" "vehicles". "We" shall not be liable for more than \$25,000 in any one "Loss", involving property of a number of "Employees", or for more than \$2,500 with respect to property of any one "Employee". The deductible clause does not apply to this additional coverage.

### f. Equipment Rental Cost Reimbursement

"We" will cover expenses necessarily incurred to rent substitute equipment when Covered Property as described in A.1 and insured by this policy is rendered unusable by a Covered Cause of Loss. You agree to substitute other equivalent equipment at "your" disposal, if available. Our liability for such expense shall not exceed the amount incurred during the period:

- (1) Commencing with the expiration of the "Waiting Period", and
- (2) Ending when such equipment has been, or in the exercise of due diligence and dispatch should have been, repaired or replaced by you, whichever occurs first.

Equipment Rental Cost Reimbursement Coverage shall not be limited by the expiration of this policy.

The "Waiting Period" begins when the "Loss" has been reported to us and continues for twenty-four (24) hours while rental expense is being paid.

The most "we" will pay for Equipment Rental Cost Reimbursement in any one "Occurrence" is \$25,000.

### g. Expendable Supplies

"We" will cover fuel, oil, grease and similar expendable supplies, usual to "your" operations, lost or destroyed in a "Loss". The most "we" will pay in any one "Loss" is \$5,000 unless such items are specifically covered for more.

### h. Fire Protection Devices

"We" will pay up to \$75,000 in expenses you incur to recharge or refill any fire protection devices discharged as a result of fire or explosion. This additional coverage will not apply while actual work is being performed upon the system or while the system is being tested.

### i. "Fungi"

- (1) If "Fungi" results from a "Loss", "we" will pay for the necessary and reasonable cost incurred to test for, monitor, abate, mitigate, remove, dispose of, or remediate "Fungi".
- (2) Coverage provided by this extension applies only if the presence of "Fungi" is reported to "us" within 30 days of the occurrence of the "Loss" that is alleged to have caused this condition.

The most "we" will pay under this coverage extension in any one "Occurrence" or in the "Annual Aggregate" during this policy period is \$25,000 or a higher amount if indicated in the Declarations. The provisions of this extension do not increase any Limits of Insurance provided by this policy.

### j. Green Building Certification

"We" will pay additional reasonable registration or certification fees, not to exceed \$25,000, made necessary by a "Loss" to re-register or re-certify "your" building with The United States Green Building Council or Green Building Initiative.

### k. Increased Costs of Completing Undamaged Portions of a Building

"We" will pay up to \$100,000 for the increased costs of construction materials and labor "you" incur due to a delay in completing previously undamaged or unfinished portions of a building or structure.

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This Additional Coverage shall not apply to any other type of delay, including a delay which existed at the time of the "Loss" or a delay which is not a direct result of Covered Cause of Loss to Covered Property.

### **I. Indoor Air Quality**

"We" will pay additional reasonable expense, not to exceed \$25,000, which becomes necessary as a result of a "Loss" to restore Indoor Air Quality to standards "you" have established in Indoor Air Quality Management Plan in a manner consistent with the procedures specified by the LEED NC® Green Building Rating System of the United States Green Building Council. This includes the additional reasonable and necessary expense to flush out the reconstructed space with 100% outside air and new filtration media following reconstruction in a manner consistent with the procedures specified by the LEED EB® Green Building Rating System of the United States Green Building Council.

### **m. Loss Information Expenses**

"We" will pay "your" reasonable expenses incurred at "our" request, to assist "us" in adjusting a "Loss". Loss Information Expenses include the cost of taking inventory, performing appraisals and providing documentation to assist "us" in determining the extent of "your" "Loss".

"We" will not pay for costs or expenses for:

- (1) Legal services;
- (2) Public adjusters;
- (3) Appraisals in Section E. Conditions 8. Appraisal below;
- (4) The purpose of negotiating or establishing that a claim is covered by this policy; or
- (5) Any insurance broker, agent, claims consultant or any person or entity acting on their behalf unless requested by "us" in writing.

The most "we" will pay is \$25,000 in any one "Occurrence".

### **n. Pollutant Cleanup and Removal**

"We" will pay "your" reasonable cost to extract "Pollutants" from land or water. The release, discharge or dispersal of the "Pollutants" must result from a "Loss" and must occur during the policy period.

This coverage only applies if no later than 180 (one hundred eighty) days from the date of "Loss" or from the end of the policy period, whichever comes first, "you":

1. Discover the "Loss"; and
2. Report the "Loss" to "us" in writing.

"We" will not pay:

1. The cost to repair, replace or restore property damaged or destroyed by extraction of "Pollutants";
2. The cost to extract "Pollutants" from land or water:
  - a. at any location used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
  - b. at any location if the "Pollutants" are released, dispersed or discharged from a location which is used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
  - c. at any location if the "Pollutants" arise out of or are a consequence of nuclear reaction or radiation, or radioactive contamination.
  - d. the cost of testing, evaluating, observing or recording the existence, level or effects of "Pollutants".



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The most "we" will pay under this Additional Coverage is \$10,000 in any one year commencing with policy inception. This amount is in addition to the Limit of Insurance shown in the Declarations for all "Covered Property" in any one "Occurrence". If this policy is written for a term of more than one year, "we" will apply this limit separately to each consecutive year of the policy period.

The Coinsurance provision in this policy does not apply to this Additional Coverage.

### **o. Recycling Diversion Expense**

"We" will pay additional reasonable expense, not to exceed \$25,000, which becomes necessary because of a "Loss" for the increased costs "you" incur to divert debris caused by or resulting from a "Loss" from "your" covered building to recycling facilities rather than landfills, if such debris can be recycled. Any income or remuneration derived from the recycling shall be used to reduce the "Loss".

### **p. Removal to Preserve Covered Property**

"We" will cover "Loss" to Covered Property while being moved to or stored at a temporary location to preserve Covered Property from an imminent threat of "Loss". "We" will also cover "Loss" to Covered Property while being moved back to the "Site" from a temporary location provided that "you" do so within a reasonable time after the imminent threat of "Loss" has passed.

If "you" remove Covered Property to a temporary location to avoid an imminent threat of "Loss", "you" must inform "us" within ten (10) days of removal or no coverage will apply. This additional coverage does not extend past the policy expiration date.

"We" will pay the necessary and reasonable expenses "you" incur in moving and storing Covered Property to preserve it from an imminent threat of "Loss". The most we will pay under this Additional Coverage is \$25,000 in any one "Occurrence".

### **q. Reward Coverage**

"We" will reimburse "you" for any reward payments "you" make leading to:

- (1) The successful recovery of stolen "Covered Property" involving a Covered Cause of Loss; or
- (2) The arrest and conviction of any persons who have damaged or stolen any of the "Covered Property" involving a Covered Cause of Loss.

The most "we" will pay is \$5,000 in any one "Occurrence". No deductible applies to this Additional Coverage.

### **r. Scaffolding Forms or Falsework**

"We" will cover expenses to erect new scaffolding, forms or falsework when the original scaffolding forms or falsework, covered by this policy has been damaged or destroyed in a "Loss".

### **s. Service Charges and Responding Fire Departments**

"We" will pay up to \$25,000 for fire department services charges that you incur when a fire department is called to save or protect covered property from an insured peril. Fire department service charges mean charges that you assume by contract or agreement prior to loss or charges you are required to pay by local ordinance if the fire department is called to save or protect the Covered Property from a covered cause of loss.

### **t. Sinkhole Collapse**

"We" will pay for "Loss" caused by or resulting from risks of "Loss involving collapse of covered property caused only by "Sinkhole Collapse".

### **u. Valuable Papers and Records**

"We" will pay for "Loss" to replace or restore lost or damaged "Valuable Papers and Records", including those which exist on electronic media for which there are no duplicates.

This Additional Coverage extends only to "Loss" to "Valuable Papers and Records" which are:

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- (1) On the construction or installation "Site" or within five hundred (500) feet of the construction or installation "Site", or
- (2) "Valuable Papers and Records" which are in transit to or from the construction or installation "Site".

The most "we" will pay is \$50,000 in any one "Occurrence".

### 4. Property Not Covered

Covered Property does not include:

- a. Aircraft; watercraft; automobiles, motor trucks licensed for highway use, motorcycles, motor scooters, or any other "Vehicles" designed primarily for highway use; (including motors, equipment and accessories);
- b. Penalties for, or expenses incurred as a result of delay, in completion of contract terms; conditions of noncompliance with contract terms conditions; or from any guarantee of performance or production;
- c. Land or land values;
- d. Water;
- e. Contraband or property in the course of illegal transportation or trade;
- f. Increased costs of construction materials and labor in completing previously undamaged or unfinished portions of a construction project, except as provided in 4. Additional Coverages, i. Increased Costs of Construction Materials and Labor;
- g. Any real property and fixtures that existed prior to the construction or improvements, alterations or repairs, and any real or personal property that existed or was in the course of construction prior to the inception of this policy unless provided by endorsement; and
- h. Any real property, machinery, equipment and fixtures that will be demolished or permanently removed in the course of construction of additions, alterations or repairs.

### B. Exclusions

- 1. "We" will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
  - a. **Ordinance or Law**
    - (1) The enforcement of any ordinance or law:
      - (a) Regulating the construction, use or repair of any property; or
      - (b) Requiring the tearing down of any property, including the cost of removing its debris.
    - (2) This exclusion applies whether the loss or damage results from:
      - (a) An ordinance or law that is enforced even if the property has not been damaged; or
      - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.
  - b. **Earth Movement**
    - (1) Earthquake, including any earth sinking, rising or shifting related to such event;
    - (2) Landslide, including any earth sinking, rising or shifting related to such event;
    - (3) Mine subsidence, meaning subsidence of a mine, whether or not mining activity has ceased; or

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- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b. (1)** through **(4)** above, results in fire or explosion, "we" will pay for the "Loss" caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or "Volcanic Action", "we" will pay for the "Loss" caused by that fire, building glass breakage or Volcanic Action.

"Volcanic Action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

"Volcanic Action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

All Earth Movements that occur within any 168-hour period will constitute a single "Occurrence".

This exclusion does not apply to Covered Property insured under Section A.1.a. (1) of this coverage form.

### **c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But "we" will pay for "Loss" caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

### **d. Nuclear Hazard**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause whether controlled or uncontrolled. But if nuclear reaction or radiation, or radioactive contamination results in fire, "we" will pay for the "Loss" caused by that fire if the fire would be covered under this coverage form.

### **e. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

### **f. Water**

- (1) Flood, surface water, waves tidal water, storm surge, tsunami or the overflow of a body of water, all whether driven by wind or not; or
- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1)

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This exclusion applies regardless of whether any of the above, in Paragraphs **(1) and (2)** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs **(1) and (2)**, results in fire, explosion or theft, "we" will pay for the "Loss" caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

This exclusion does not apply to Covered Property insured under Section A.1.a. (1) of this coverage form.

### **g. Fungi, Wet Rot and Dry Rot**

Presence, growth, proliferation, spread or any activity of "Fungi", or wet or dry rot.

But if "Fungi", or wet or dry rot results in a Covered Cause of Loss, "we" will pay for the "Loss" caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1)** When "Fungi", or wet or dry rot results from fire or lightning; or
- (2)** To the extent that coverage is provided in Section A.4 Additional Coverage with respect to "Loss" by a cause of loss other than fire or lightning.

### **h. Virus, Bacterium Or Other Microorganism**

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

## **2. "We" will not pay for loss or damage caused by or resulting from any of the following:**

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by:
  - (1)** "You", any of "your" partners, "Employees", directors, trustees, or authorized representatives;
  - (2)** A manager or a member if "you" are a limited liability company;
  - (3)** Anyone else with an interest in the Covered Property, or their employees or authorized representatives; or
  - (4)** Anyone else to whom the Covered Property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by "your" employees. But theft by "Employees" is not covered.

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- e. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (1) Electrical or electronic wire, device, appliance, system or network; or
  - (2) Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, "we" will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

  - (1) Electrical current, including arcing;
  - (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
  - (3) Pulse of electromagnetic energy; or
  - (4) Electromagnetic waves or microwaves.
- f. Voluntary parting with any property by "you" or anyone entrusted with the Covered Property.
- g. Unauthorized instructions to transfer property to any person or to any place.
- h. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.
- 3. "We" will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, "we" will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
  - a. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - b. Wear and tear.
  - c. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
  - d. Insects, birds, rodents or other animals.
  - e. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.
  - f. Mechanical breakdown or derangement, rupture, bursting or disintegration of the rotating or moving parts of machines resulting from centrifugal or reciprocating force; however, "we" will pay for physical damage to any other covered property resulting from these occurrences.
  - g. Any condition or event inside steam boilers, steam pipes, steam engines, or steam turbines, or caused by or resulting from any condition or vent inside such boilers or equipment. But "we" will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - h. Any condition or event inside hot water boilers or caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
  - i. Testing, unless fire or explosion follows. Then "we" will pay the "Loss" caused by such fire or explosion.
- 4. "We" will not pay for loss by or resulting from defective, faulty or inadequate:
  - a. Planning, zoning, development, surveying, siting;
  - b. Design, plan, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction;
  - c. Materials used in repair, construction, renovation or remodeling; or

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### d. Maintenance;

Of part or all of any Covered Property wherever located.

"We" will pay for "Loss" to other Covered Property which is free of the defective, faulty or inadequate condition excluded in 4.a. through d., but is damaged in consequence thereof.

"We" will not pay for any costs or expenses incurred to access Covered Property in order to replace, repair or rectify the defective, faulty or inadequate condition excluded in 4.a through d. above.

For the purpose of this policy and not merely this exclusion, Covered Property shall not be regarded as lost or damaged solely because of the existence of any defective, faulty or inadequate condition excluded in 4.a through d. above.

### C. Deductible

"We" will not pay for loss or damage in any one "Occurrence" until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. "We" will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, "we" will apply only the highest amount that is applicable.

The deductible appearing elsewhere in this policy shall not apply with respects to Additional Coverages b. through t. and v.

### D. Limits of Insurance

The most "we" will pay for "Loss" in any one "Occurrence" is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

#### 1. Debris Removal Coverage but, if:

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

"We" will pay up to an additional \$100,000 or 10% of the limit of insurance, whichever is less.

#### 2. "Sinkhole Collapse"

#### 3. "Fungi"

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

### E. Conditions

#### 1. Cancellation

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to "us" advance written notice of cancellation.

- a. "We" may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (i) Ten (10) days before the effective date of cancellation if "we" cancel for nonpayment of premium; or
  - (ii) Thirty (30) days before the effective date of cancellation if "we" cancel for any other reason.
- b. "We" will mail or deliver "our" notice to the first Named Insured's last mailing address known to "us".
- c. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.



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- d. If this policy is cancelled, "we" will send the first Named Insured any premium refund due. If "we" cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if "we" have not made or offered a refund.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

### 2. Changes

This policy contains all the agreements between "you" and "us" concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by "us" and made a part of this policy.

### 3. Examination of "Your" Books and Records

"We" may examine and audit "your" books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

### 4. Inspections and Surveys

- a. "We" have the right to:
  - (i) Make inspections and surveys at any time;
  - (ii) Give "you" reports on the conditions "we" find; and
  - (iii) Recommend changes.
- b. "We" are not obligated to make any inspections, surveys, reports or recommendations and any such actions "we" do undertake relate only to insurability and the premiums to be charged. "We" do not make safety inspections. "We" do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And "we" do not warrant that conditions:
  - (i) Are safe or healthful; or
  - (ii) Comply with laws, regulations, codes or standards.
- c. Paragraphs **a.** and **b.** of this condition apply not only to "us", but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- d. Paragraph **b.** of this condition does not apply to any inspections, surveys, reports or recommendations "we" may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### 5. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums "we" pay.

### 6. Transfer of "Your" Rights and Duties under This Policy

"Your" rights and duties under this policy may not be transferred without "our" written consent except in the case of death of an individual Named Insured.

If "you" die, "your" rights and duties will be transferred to "your" legal representative, but only while acting within the scope of duties as "your" legal representative. Until "your" legal representative is appointed, anyone having proper temporary custody of Covered Property will have "your" rights and duties, but only with respect to that property.

### 7. Abandonment

There can be no abandonment of any property to "us".

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### 8. Appraisal

If “you” and “we” fail to agree on the amount of “Loss” to “Covered Property”, either one of “us” can ask that the amount of “Loss” be established by appraisal. To start the appraisal process, either “you” or “we” must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within thirty (30) days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within fifteen (15) days, either “you” or “we” may have an umpire selected by a court located in the same state as the “Covered Property”. The appraisers will then set the amount of the “Loss”. A copy of their report will be given to “you” and to “us”. The amount they agree upon will be the amount of “Loss”.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the “Loss”. “You” will pay “your” appraiser and “we” will pay “ours”. The umpire's fee and other appraisal expenses will be shared equally by “you” and “us”.

If “we” submit to an appraisal, “we” will still retain “our” right to deny the claim.

### 9. Duties in the Event of Loss

“You” must see that the following are done in the event of a loss which may be covered by this policy:

- a. Notify the police if a law may have been broken.
- b. Give “us” or “our” authorized representative prompt notice of the loss, including a description of the property involved. “You” must also file with “us” or “our” agent, a detailed sworn proof of loss within sixty (60) days following the loss or damage. “We” will supply you with the necessary forms.
- c. As soon as possible, give “us” a description of how, when and where the loss occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage and keep a record of “your” expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. Also if feasible, set the damaged property aside and in the best possible order for examination. If “you” move the property to a safe place, that property will continue to be covered, and “we” will reimburse “you” for the reasonable expenses for doing so. “You” must tell “us” as soon as practical that “you” have moved the property to a safe place. Any payments “we” make under this provision are within the applicable Limits of Insurance.
- e. “You” will neither, admit liability, nor, except at “your” own cost, voluntarily make a payment, assume any obligation, or incur any expense without “our” consent.
- f. As often as may be reasonably required, permit “us” to inspect the property proving the “Loss” and examine “your” books and records.

Also permit “us” to take samples of damaged and undamaged property for inspection, testing and analysis, and permit “us” to make copies from “your” books and records.

- g. “We” may examine any insured under oath, while not in the presence of any other insured (or any officer, director, “Employee”, independent contractor, agent or representative of any insured) and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's (or any officer, director, employee, independent contractor, agent or representative of any insured's) answers must be signed.
- h. Immediately send “us” copies of any demands, notices, summonses or legal papers received in connection with the claim or “Suit”.
- i. Cooperate with “us” in the investigation, settlement or defense of the claim or suit.

### 10. Insurance under Two or More Coverages

If two or more of this policy's coverages apply to the same “Loss”, “we” will not pay more than the



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actual amount of the "Loss" not exceeding the applicable Limit of Insurance.

### 11. How Covered Property Will Be Valued in the Event of "Loss"

#### a. Actual Cash Value

If a "Loss" occurs and the valuation basis shown in the Declarations applicable to the Covered Property is Actual Cash Value, "we" will determine the value of the lost or damaged property at Actual Cash Value as of the time of the "Loss".

#### b. Replacement Cost

If a "Loss" occurs and the valuation basis shown in the Declarations applicable to the Covered Property is Replacement Cost:

- (1) "We" will determine the value of the lost or damaged property at Replacement Cost as of the time of "Loss", except as provided below.
- (2) "You" may make a claim for "Loss" covered by this insurance on an Actual Cash Value basis instead of a Replacement Cost basis. In the event you elect to have "Loss" settled on an Actual Cash Value basis, "you" may still make a claim for the addition coverage which Replacement Cost provides if "you" notify "us" of "your" intent to do so within 180 days after the loss or damage.
- (3) "We" will not pay on a Replacement Cost basis for any "Loss" until the lost or damaged property is actually repaired or replaced.
- (4) "We" will not pay more for the "Loss" on a Replacement Cost basis than the least of the following:
  - (a) The limit of insurance applicable to the lost or damaged property;
  - (b) The cost to replace, on the same premises, the lost or damaged property with other new property:
    - (i) Of like kind and quality; and
    - (ii) Used for the same purpose; or
  - (c) The amount "you" actually spend that is necessary to repair or replace the lost or damaged property.

#### c. "Stated Value"

If a "Loss" occurs and the valuation basis shown under the declarations is "Stated Value", "we" will determine the value of the lost or damaged property at Stated Value as of the time of the "Loss" according to the dated schedule on file with "us".

### 12. Loss Payment

- a. "We" will give notice of "our" intentions within thirty (30) days after we receive the sworn proof of loss or a judgment against "you".
- b. "We" will not pay "you" more than "your" financial interest in the Covered Property.
- c. "We" may adjust any "Loss" with the owners of Covered Property if other than "you". If "we" pay the owners, such payments will satisfy "your" claim against "us" for "your" legal liability for Covered Property owned by others. "We" will not pay the owners more than their financial interest in the Covered Property.
- d. "We" will pay for a "Loss" within 30 days after "we" receive the sworn proof of loss if "you" have complied with all the terms of this Coverage Part and:
  - (i) "We" have reached agreement with "you" on the amount of the "Loss"; or
  - (ii) An appraisal award has been made.
- e. "We" will not be liable for any part of a "Loss" that has been paid or made good by others.

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### 13. Other Insurance

- a. "You" may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If "you" do, "we" will pay "our" share of the covered "Loss". "our" share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If other insurance covers the same "Loss", other than that described in a. above, "we" will pay only for the amount of covered "Loss" in excess of the amount due from that other insurance, whether "you" can collect on it or not. But "we" will not pay more than the applicable Limit of Insurance.

### 14. Pair, Sets or Parts

#### a. Pair or Set

In case of "Loss" to any part of a pair or set, "we" will pay no more than the least of the following:

- (i) The cost to repair or replace any part to restore the pair or set to its value before the "Loss"; or
- (ii) The difference between the values of the pair or set before and after the "Loss".

#### b. Parts

In case of "Loss" to any part of "Covered Property" consisting of several parts when complete, "we" will only pay for the value of the lost or damaged part.

### 15. Loss Payee

"We" will pay "you" and any loss payees, including blanket loss payees, as the interest of each may appear in a written agreement with "you" prior to a "Loss".

"You" will supply the name address and telephone number of each loss payee in the event of a "Loss".

### 16. Recovered Property

If either "you" or "we" recover any property after loss settlement, that party must give the other prompt notice. At "your" option, the property will be returned to "you". "You" must then return to "us" the amount "we" paid to "you" for the property. "We" will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

### 17. Reinstatement of Limit after Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total "Loss" of a scheduled item, or if an annual aggregate is exhausted.

### 18. Transfer of Rights of Recovery against Others to "Us"

If any person or organization to or for whom "we" make a payment under this Coverage Part has rights to recover damages from another, those rights are transferred to "us" to the extent of "our" payment. That person or organization must do everything necessary to secure "our" rights and must do nothing after "Loss" to impair them. If that person or organization does anything to impair "our" rights after a "Loss", "we" will not have to pay the "Loss". But "you" may waive "your" rights against another party by giving notice to "us" and the other party in writing:

- a. Prior to a "Loss".
- b. After a "Loss" only if, at time of "Loss", that party is one of the following:
  - (i) Someone insured by this insurance; or
  - (ii) A business firm:
    - (a) Owned or controlled by "you"; or
    - (b) That owns or controls "you".

This will not restrict "your" insurance.

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### 19. Concealment, Misrepresentation or Fraud

This Coverage Form is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by "you" or any other insured, at any time, concerning:

- a. This Coverage Form;
- b. The Covered Property;
- c. "Your" interest in the Covered Property;
- d. A claim under this Coverage Form.

### 20. Acts by Others beyond "Your" Control

Any act or neglect of any person other than "you" beyond "your" direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of "Loss", the breach of condition does not exist.

### 21. Legal Action against "Us"

- a. "You" may not bring a legal action against "us" for "Loss" to Covered Property under this coverage form unless:
  - (i) There has been full compliance with all the terms of this coverage form; and
  - (ii) The action is brought within two (2) years after "you" first have knowledge of the "Loss".

If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

### 22. No Benefit to Bailee

No person or organization, other than "you", having custody of Covered Property will benefit from this insurance.

### 23. Policy Period

"We" cover "Loss" commencing:

- a. During the policy period shown in the General Declarations the policy period begins and ends at 12:01 a.m., Standard Time, at "your" address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time; and,
- b. Within the coverage territory.

### 24. "Your" Name and Address

"Your" name and address as the Named Insured shall be as specified in the General Declarations.

### 25. The Declarations

The Declarations show "you" which coverages "you" have purchased and the limits of insurance that apply. "You" have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, "you" agree that:

- a. The statements in the Declarations are "your" agreements and representations; and
- b. That this policy is issued in reliance on the truth of such representations.

### 26. Coverage Territory

"We" cover property wherever located within:

- a. The Continental United States of America;
- b. Alaska;

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- c. Hawaii;
- d. Puerto Rico; and
- e. Canada.

### 27. Salvage Recovery

In the event of any salvage recovery resulting from a Covered Cause of Loss, such salvage recovery shall be paid first to "us" up to the full amount of the covered "Loss", and then to "you".

### 28. Partial Loss, Waiver of Depreciation

If, under the valuation basis specified in the Declarations, Actual Cash Value is specified for the item included, no deduction shall be taken on the adjustment of any partial loss that does not exceed 20% of the Actual Cash Value of the item involved.

If two or more items are involved in the same loss occurrence, this condition shall apply to each item separately.

### 29. Sanctions

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

## F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Loss of Earnings" means the actual loss of net earnings which result from the project's delay.
4. "Rental Value" means the actual loss of net rental income from signed leases which result from the project's delay.
5. "Sinkhole Collapse" means the sudden sinking or collapse of land into underground empty space created by the action of water on limestone or dolomite. It does not include the cost of filling sinkholes or sinking or collapse of land into man-made underground cavities.
6. "Site" means one of the locations where "you" are working with Covered Property that is insured by this policy.
7. "Stated Value" means the Limit of Insurance, or no more than the proportion of loss of property bears to the limit of insurance shown under the schedule.
8. "Structure" means property, other than buildings, that are constructed by "you" and insured by this policy.
9. "Loss" means direct and accidental physical loss, destruction or damage caused by a Covered Cause of Loss external to any Property.
10. "Vehicle" means a land motorized vehicle, private passenger type vehicle, truck, tractor, trailer, semitrailer or dolly used to convert a semitrailer into a trailer.
11. "Occurrence" means any one "Loss", catastrophe, disaster, casualty or series of "Losses", catastrophes, disasters or casualties arising out of one event.
12. "Employee" means:
  - a. Any natural person:
    - (1) While in "your" service; and

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- (2) Whom "you" compensate directly by salary, wages or commissions; and
- (3) Whom "you" have the right to direct and control while performing services for "you"; or
- (4) Any natural person employed by an employment contractor while that person is subject to "your" direction and control and performing services for "you".
- b. But "Employee" does not mean any:
  - (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character unless an owner operator "you" have hired;
  - (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee; or
  - (3) "Employee" for whom similar prior insurance has been cancelled and not been reinstated since the last cancellation.
- 13. "Fire Resistant" means buildings where the exterior walls, floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of two hours or more. Also included are buildings that are constructed of masonry materials with floors, joist members and roofs of metal or steel construction.
- 14. "Frame" means any building which in its finished form, is composed of more than 20% wood frame construction.
- 15. "Joisted Masonry" means any building with exterior walls that are constructed of masonry materials such as brick, concrete, hollow concrete block, stone or similar material with floors or roof joist members of wood construction. This would include tilt-up construction.
- 16. "Non-combustible" means any building where the exterior walls and floors are constructed of and supported by unprotected metal or steel.
- 17. "Masonry Non-combustible" means buildings with exterior walls or masonry that are not less than four inches thick or buildings with exterior walls of fire resistive construction with a fire resistance rating of not less than one hour.
- 18. "Modified Fire Resistant" means buildings with exterior walls, floors and roofs of masonry materials or fire resistive materials with a fire resistance rating of less than two hours, but no less than one hour.



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### Construction Block Additional Coverages Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

Insurance is provided only for which a Limit of Insurance is shown in the Coverage Description Schedule below and the most "we" will pay for "Loss" or damage in any one "Occurrence" is the applicable Limit of Insurance shown in the Coverage Description Schedule.

"We" will not pay for "Loss" in any one "Occurrence" until the amount of the adjusted "Loss" before applying the applicable Limit of Insurance exceeds the Deductible shown in the Coverage Description Schedule. "We" will then pay the amount of the adjusted "Loss" in excess of the Deductible, up to the applicable Limit of Insurance.

No coverage is provided unless a limit of insurance is shown in the Coverage Description Schedule below.

#### Coverage Description Schedule

#### Limit of Insurance

#### Deductible

Existing Building

\$\_\_\_\_\_

\$\_\_\_\_\_

Expediting Expenses

\$\_\_\_\_\_

\$\_\_\_\_\_

#### Ordinance or Law

#### Limits of Insurance

Loc.

Coverage A

Coverage B

Coverage C

Coverage B and C Combined

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

\$

Ordinance or Law Deductible: \$\_\_\_\_\_

**Additional Endorsements:** The following Additional Endorsements apply only if selected as shown by an ☒ in the corresponding box below:

☐ Unintentional Errors or Omissions

☐ Increased Costs of Labor and Construction Materials Coverage

#### Coverage Descriptions:

#### Ordinance or Law:

A. Each Coverage – Coverage A, Coverage B and Coverage C – is provided under this endorsement only if that coverage (s) is chosen by entry in the above Schedule and then only with respects to the building identified for that Coverage(s) in the Schedule.

B. Application of Coverage(s)

The Coverage(s) provided by this endorsement apply only if both B.1. and B.2. are satisfied and then subject to the qualifications set forth in B.3.

**1. The ordinance or law:**

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2. a.** The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- b.** The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- c.** But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

- 3.** In the situation described in B.2.b above, “we” will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, “we” will pay a proportion of such loss; meaning the proportion that we covered direct physical damage bears to the total physical damage.

**C. “We” will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.**

**1. Coverage A – Coverage for Loss to the Undamaged Portion of the Building**

With respects to the building that has sustained covered direct physical damage, “we” will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

**2. Coverage B – Demolition Cost Coverage**

With respect to the building that has sustained covered direct physical damage, “we” will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that required demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

**3. Coverage C – Increased Cost of Construction Coverage**

- a.** With respect to the building that has sustained covered direct physical damage, “we” will pay the increased cost to:

- (1)** Repair or reconstruct damaged portions of that building; and/or
- (2)** Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (3)** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.



- (4) "We" will not pay the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

- b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with C.3.a above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in C.3.a:

- (1) The cost of excavations, grading, backfilling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in b. (1) through b. (4) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, C.3.b.

**D. Loss Payment**

1. All following loss payment provisions, D.2. through D.5., are subject to the appointment procedures set forth in Section B.3. of this endorsement.
2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

- a. If the property is being repaired or replaced, on the same or another premises, "we" will not pay more than the lesser of:

- (1) The amount "you" would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
- (2) The Limit of Insurance shown in the declarations as applicable to the covered building.

3. Unless Paragraph D.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

"We" will not pay more than the lesser of the following

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit of Insurance shown for Coverage B in the schedule above.

4. Unless Paragraph D.5. applies, loss payment under Coverage C – Increased Cost of Construction Coverage will be determined as follows:

- a. "We" will not pay under Coverage C:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. "We" may extend this period in writing during the two years.

- b. If the building is repaired or replaced at the same premises, or if "you" elect to rebuild at another premises, the most "we" will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

- c. If the ordinance or law requires relocation to another premises, the most "we" will pay under Coverage C is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.

5. If a Combined Limit of Insurance is shown for Coverages B and C in the Schedule above, paragraphs D.3 and D.4 of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:



The most "we" will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction is the Combined Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this combined Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, "we" will not pay more than the amount "you" actually spend to demolish and clear the site of the described premises:

(1) "We" will not pay for the increased cost of construction:

- (a) Until the property is actually repaired or replaced, at the same or another premises; and  
(b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. "We" may extend this period in writing during the two years.

(2) If the building is repaired or replaced at the same premises, or if "you" elect to rebuild at another premises, the most "we" will pay for the increased cost of construction is the increased cost of construction at the same premises.

(3) If the ordinance or law requires relocation to another premises, the most "we" will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Under this endorsement "we" will not pay for loss due to any ordinance or law that:

1. "You" were required to comply with before the loss, even if the building was undamaged; and
2. "You" failed to comply with.

G. Example of Proportionate loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance or Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most "we" will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverage A and B of this endorsement.

### Existing Building:

Section A.2.g. Property Not Covered in the Construction Block Coverage Form is deleted.

The following is added to A.1. Covered Property:

- (4) "We" do provide coverage for Real Property, Machinery, Equipment and Fixtures which existed prior to the construction or improvements, alterations or repairs. However, "we" do not provide coverage for such Real Property, Machinery, Equipment and Fixtures that will be demolished or permanently removed in the course of construction of additions, alterations or repairs.

If a loss occurs to an existing building "we" will determine the value of the lost or damaged property at Actual Cash Value as of the time of the "Loss" exclusive of any artistic, antiquarian, landmark or historical value. "We" will not pay more than the limits shown in the Coverage Description Schedule of this endorsement.

**Expediting Expenses:**

Subject to the limits shown in the Coverage Description Schedule, "we" cover the "Reasonable Extra Costs" to make temporary repairs and to expedite the permanent repair or replacement of your equipment, tools and machinery that "you" own or for which "you" are liable in the event of a covered cause of loss. The most "we" will pay is the actual expense you incur, but not more than the Limit of Insurance shown in the schedule above. "You" are responsible for any additional expense. "We" will subtract the deductible amount shown in the schedule above from the amount of "Loss" in any one "Occurrence".

"Reasonable Extra costs" means additional wages for overtime, night work, and work on public holidays; and the extra costs of express freight or other rapid means of transportation. "Reasonable Extra Costs" excludes increased costs of construction materials and labor "you" incur due to a delay in completing previously undamaged or unfinished portions of a construction project resulting from a Covered Cause of Loss to Covered Property.

**Additional Endorsements:**

**Unintentional Errors or Omissions**

"Your" failure to disclose all hazards existing on the effective date of this policy shall not prejudice "you" with respect to the coverage afforded by this policy provided such failure or any omission is not intentional.

**Increased Costs of Labor and Construction Materials**

"We" will provide coverage for increased costs of labor and construction materials in the event that "you" suffer a total "Loss" to Covered Property defined in Section A.1.a.(2) of the Construction Block Coverage Form. "We" will also provide coverage for the costs of changes to specifications of the construction project "you" must make following a total "Loss" to Covered Property.

The most "we" will pay for this coverage is five percent (5%) of the Construction Project Site Limits of Insurance listed in item (2) of the Construction Block Declarations or \$500,000, whichever is less.

This Coverage does not apply to any other Limits of Insurance, including but not limited to Expediting Expenses, Loss of Earnings, Rental Value or Soft Costs or Optional Green Plus Coverage.

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

This Form must be attached to Change Endorsement when issued after the policy is written.

# Allianz Global Corporate & Specialty®

## Construction Block - Construction Plus Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

**The following coverages are added or may be modified in the CB 4710 Construction Block Coverage Form:**

Coverage Description Schedule	Limit of Insurance
A. Accounts Receivable	\$
B. Computer Coverage	\$
C. Contract Penalty Clause	\$
D. Equipment Rental Cost Reimbursement	\$
Measure of Recovery for Equipment Rental Cost Reimbursement:	
\$ per	
E. Goodwill Coverage	\$
F. Rigging Coverage	\$
G. Service Work Coverage	\$
H. Testing	\$
I. Valuable Papers	\$

### Special Coverages Provided:

#### A. Accounts Receivable

"We" cover your records of balances owed "you" by your customers. "We" cover such records against "Loss".

"We" will pay the following when they result from loss or damage to these records:

1. Sums owed "you" by customers which you cannot collect;
2. Interest charges "you" must pay on loans obtained to offset impaired collections;
3. That part of "your" collection costs that exceeds "your" normal collection costs;
4. Other costs "you" reasonably incur to restore your records.

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one "Occurrence" is \$100,000.

#### B. Computer Coverage

"We" will cover your "Computer Equipment", "Media", "Data" and "Programs". "We" will cover "Loss" to "Computer Equipment", "Media", "Data" and "Programs", which "you" own, lease or rent from others or for which you are legally responsible. "We" will pay the replacement cost of reproducing lost or accidentally erased "Data" and "Programs" provided "you" actually replace or reproduce them.

"Computer Equipment" means machines, or a network of machines, whose function is the acceptance and processing of "Data" in accordance with a plan or "Program".

"Data" means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.

"Media" means materials on which "Data" are recorded or stored.

"Programs" means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any "Occurrence" is \$50,000.

## Allianz Global Corporate & Specialty®

### **C. Contract Penalty Clause Coverage**

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section A.3.a. of the Coverage Form is deleted, and the new limit is shown in the Description Coverage Schedule.

### **D. Equipment Rental Cost Reimbursement**

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section A.3.f. of the Coverage Form is deleted, and the new limit is shown in the Description Coverage Schedule.

### **E. Goodwill Coverage**

If, as a result of a "Loss" at a "Site", "you" will not be able to complete or finish the construction or installation on time, "we" will cover additional project expenses to finish the work provided the expenses incurred are reasonable and allow "you" to make the contracted date. Such expenses will include but will not be limited to costs to expedite replacement parts or materials, additional labor expense and rental expense for additional equipment.

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one "Occurrence" is \$25,000.

### **F. Rigging Coverage**

"We" cover property of others that you agree to move, lift, hoist or lower. Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one "Occurrence" is \$50,000.

### **G. Service Work Coverage**

"We" cover property of others for "Loss" that occurs during service calls "you" make on Property that "you" originally installed. Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one "Occurrence" is \$25,000.

### **H. Testing**

Exclusions B.3.f and B.3.i. are deleted. "We" cover "Loss" to Covered Property resulting from testing.

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one "Occurrence" is \$25,000.

### **I. Valuable Papers and Records**

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section A.3.u. is deleted, and the new limit is shown in the Description Coverage Schedule.

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

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## Construction Block - Rate Schedule

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

### Rate Schedule

#### Covered Property

- Contractor's Equipment as described in A.1.a.(1) of the Coverage Form. Reporting conditions under this policy do apply to Contractor's Equipment.

#### Type of Equipment

#### Rate

#### Premium

\$  
\$  
\$  
\$  
\$

\$  
\$  
\$  
\$  
\$

- Buildings, or structures in the course of construction as described in A.1.a.(2) of the Coverage Form.

#### Type of Construction

#### Rate

"Frame"  
"Joisted Masonry"  
"Noncombustible"  
"Masonry Noncombustible"  
"Modified Fire Resistive"  
"Fire Resistive"

\$  
\$  
\$  
\$  
\$  
\$

#### Type of Installation

#### Rate

- Materials, supplies, machinery, equipment and fixtures you are installing as described in A.1.a. (3) of the Coverage Form.

Rates shown above are ☐ Monthly ☐ Quarterly ☐ Annually ☐ Other

Rates shown above are per \$100 unless otherwise indicated.

- Minimum Premium \$

- Deposit Premium \$

### Reporting Conditions

#### Covered Property

- Buildings or structures in the course of construction as described in A.1.a (2) of the Coverage Form.

**Premium Base**  
**Units** **"Completed Value"** **Gross Sales** **Gross Receipts** **Other**

☐ ☐ ☐ ☐ ☐

- Materials, supplies, machinery, equipment and fixtures you are installing as described in A.1.a.(3) of the Coverage Form.

☐ ☐ ☐ ☐ ☐

#### When You Will Report

Monthly ☐ Quarterly ☐ Annually ☐ Other ☐

### 7. Minimum Premium

The total annual earned premium for this policy shall not be less than the minimum premium designated above. In the event the earned premium otherwise due is less than the specified minimum annual premium, an additional premium equal to the difference shall be due and payable by "you" as of the expiration date of this policy.

## 8. Cancellation

In the event of cancellation, as provided in the General Provisions of this policy, "you" will report all the Premium Base which has accrued between the date of the reporting period prior to cancellation and the actual day of cancellation, and pay premium thereon at the agreed rate.

## 9. Reports

- A. "You" agree to keep an accurate record of the premium base for each type of property indicated under **Covered Property** as of the last day of the reporting period indicated above under **When You Will Report**.

This report(s) must be made to "us" no later than thirty (30) days following the last day of the reporting period. "We" will then compute the earned premium for the coverage of the **Covered Property** using the rates shown in this Endorsement.

- B. "We" have agreed to provide this coverage for a Deposit Premium. The earned premium determined by multiplying the rates stated in this endorsement by the Reporting Base(s), will be subtracted from the Deposit Premium until the Deposit Premium is completely earned. When "we" have earned the total Deposit Premium, "you" agree to pay "us" additional earned premium with each required report.
- C. Even though "you" are required to pay "us" premium based on the Premium Base, we will never pay you more than the applicable limit of the insurance provided in this policy.
- D. "We" may examine and audit your books and records as they relate to this insurance, at any time during the policy period and up to three years afterward.
- E. If this policy is cancelled for any reason, "you" will report to "us" the Premium Base of the **Covered Property** as of the date the cancellation is effective. "We" will compute the earned premium on a pro rata basis.

## 10. Definitions

- A. "Completed Value" means the total contract or specification value of the construction or installation at completion in accord with the specifications for the project.
- B. "Premium Base" means units, "completed value", gross sales, gross receipts or other as described in this endorsement.

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

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## Allianz Global Corporate & Specialty®

### Construction Block - Earth Movement Coverage Endorsement

Commercial Inland Marine

Insured	Policy Number
	Effective Date
Producer	Expiration Date

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#### Schedule

"Site(s)" Loc. No.(s) and Addresses	Sublimit of Insurance Any One Earth Movement "Occurrence"	Sublimit of Insurance Annual Aggregate	Deductible
--	--	---	------------

#### A. Causes of Loss

Exclusion B.1.b in the Construction Block Coverage Form. relating to "Earth Movement" is deleted, but only at the "Sites" shown above.

#### B. Limits of Insurance

"We" will adjust any "Loss" from such peril separately from any other loss. "We" will not pay more than the Limit of Insurance shown in the Schedule applicable to this Earth Movement Endorsement or the actual "Loss", whichever is less. The limit that applies in any one "Occurrence" is "our" total liability for all claims for "Earth Movement" arising out of a single "Occurrence".

#### C. Deductible

Before "we" pay any "Loss", "we" will subtract from the amount of loss the Deductible Amount shown in the Schedule applicable to this coverage. If more than one Deductible applies to a single "Loss", "we" will apply only the highest amount applicable.

#### D. Applicable Terms

This endorsement is otherwise subject to all the terms, conditions, provisions and stipulations of the policy to which it is attached.

#### E. Earth Movement Definition

"Earth Movement" means:

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;
- (5) Volcanic eruption, explosion or effusion; or
- (6) "Volcanic Action"

"Volcanic Action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a)** Airborne volcanic blast or airborne shock waves;
- (b)** Ash, dust or particulate matter; or
- (c)** Lava flow.

"Volcanic Action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

All "Earth Movement" incidents that occur within any 168 hours period will constitute a single "Occurrence". The limit that applies in any one occurrence is our total liability for all claims for earth movement arising out of a single occurrence.

This Form must be attached to Change Endorsement when issued after the policy is written.



# Allianz Global Corporate & Specialty®

## Construction Block – Water Coverage Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

### Schedule

"Site(s)"	Loc. No.(s)	Sublimit of Insurance Any One Water "Occurrence"	Sublimit of Insurance Annual Aggregate	Deductible
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

No coverage is provided unless a sublimit of insurance is shown in the Schedule above.

### A. Causes of Loss

For an additional premium, "Water", is added as a Covered Cause of Loss under the CB 4710 Construction Block Coverage Form specified below and exclusion 1.f. Water, is deleted, but only at the sites shown above:

### B. Limits of Insurance

- Regardless of any other limits stated in this policy or the number of locations involved, the most "we" will pay for any "Loss" caused by, resulting from, contributed to or made worse by any one "Water" "Occurrence" is the amount shown in the Schedule above for all covered locations during the policy period.

If the policy to which this endorsement is attached is written for a period of more than one year, "we" will apply the annual aggregate limit separately to each consecutive year of the policy period.

- The Sublimits shown in the Schedule below are included within the policy loss limit under B.1. of this endorsement and do not increase the Limit of Insurance applying to the damaged property.

### C. Deductible

"We" will not pay for "Loss" from any one Water "Occurrence" until the amount of "Loss" exceeds the amount shown in the Schedule under B.2. above as applicable to any one location. We will then pay the amount of "Loss" in excess of the Deductible, up to the applicable amount of insurance.

If more than one deductible is applicable under this endorsement, "we" will only apply the highest single deductible amount in any one "Occurrence".

### D. Applicable Terms

This endorsement is otherwise subject to all the terms, conditions, provisions and stipulations of the policy to which it is attached.

### E. "Water" Definition

"Water" means:

- (1) Flood, surface water, waves tidal water, storm surge, tsunami or the overflow of a body of water, all whether driven by wind or not; or
- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1)

This Form must be attached to Change Endorsement when issued after the policy is written.



## Allianz Global Corporate & Specialty®

### Construction Block – Earnings, Rents and Soft Costs Endorsement with Optional Green Plus Coverage Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

Insurance is provided only for which a [X] and a Limit of Insurance is shown in the Schedule below and the most we will pay for "Loss" in any one "Occurrence" is the applicable Limit of Insurance shown in the Schedule.

A. Coverage, 4. Additional Coverages, d. Earnings, Rents and Soft Costs is deleted and replaced by the following:

#### Schedule

##### Limits of Insurance\*

☐ Loss of Earnings

☐ Rental Value

☐ Soft Costs

\$                      Any one  
                          ☐ day  
                          ☐ week  
                          ☐ month

\$                      Any one  
                          ☐ day  
                          ☐ week  
                          ☐ month

\$  
  
\$                      in the aggregate

\$                      in the aggregate

\$                      in the aggregate

\$                      in the aggregate

Waiting Period  
Days

Deductible  
\$

Optional Green Plus Coverage: ☐

\* No coverage is provided unless a limit of insurance is shown in the Coverage Description Schedule above.

#### A. Insurance Provided

"We" agree to extend the Construction Block Coverage Form to include coverage on "Earnings", "Soft Costs", "Rental Values", or Optional Green Plus Coverage as defined below, that "you" may lose because of a Covered Cause of Loss to Covered Property.

"We" will only pay for the actual "Loss" "you" sustain, but not more than the Limits of Insurance in the Schedule for this endorsement, from the date that occupancy or use of the building would have begun had no damage or destruction occurred until occupancy or use of that building actually commences.

#### B. Additional Conditions

1. If another location was available for use, and "you" did not use it, "we" will reduce the amount "we" pay "you" as if "you" had used the other location.
2. "We" will not pay "you" for a longer period than would be necessary to restore the Covered Property to its condition prior to the Covered Cause Loss.
3. If your construction or installation contract contains a penalty clause that pays "you" for a delay caused by the perils "we" cover, "we" will deduct such payment(s) from the amount "we" pay "you".
4. "We" will pay "you" for any necessary expense "you" incur to reduce "Loss" covered by this endorsement, except that "we" will not pay for expenses to extinguish a fire or more than the actual amount of the reduction of the "Loss" up to the applicable limit of insurance.

5. "We" will not pay "you" for a delay in occupancy caused by any governmental law or ordinance regulating the construction or repair of buildings or "Structures". "We" will also not pay "you" for a delay in occupancy that is caused by any of the following:
  - a. the suspension, lapse or cancellation of any lease or license, contract or order;
  - b. delay of occupancy or use due to interference by strikers or other persons responsible for:
    - (i) Transporting of property;
    - (ii) The construction, rebuilding, repair or replacement of the Covered Property, or"
    - (iii) With the occupancy and use of the construction or installation site.
6. Deductible

"You" are responsible for any loss of Earnings, Soft Costs or Rents which occur during the Waiting Period, specified in the Schedule, applicable to this Endorsement. "We" will pay that part of the "Loss" which occurs after the Waiting Period subject to the Limits of Insurance.

### **C. Words And Phrases With Special Meaning**

"Soft Costs" means additional expenses over and above the projected cost of the covered construction project which occur because of a "Loss" which delays the project, and are limited to just these things:

1. Additional interest expense on money "you" borrow to finance construction or repair, but not to exceed the aggregate amount shown in the Schedule for this coverage;
2. Additional realty taxes and real estate assessments which "you" incur for the period of time that construction has been extended beyond the projected completion date that existed before the "Loss" occurred.
3. Additional advertising and promotional expenses which become necessary as a result of a "Loss";
4. Additional fixed expenses that you incur following a "Loss" to Covered Property:
  - (i) Architect's Fees;
  - (ii) Consultant's Fees;
  - (iii) Project Administration Fees;
  - (iv) Legal Fees;
  - (v) Insurance Premiums;
  - (vi) Watchman or Guard Service Expense;
  - (vii) Engineering Fees;
  - (viii) Royalties;
  - (ix) Franchise Fees; and
  - (x) Accounting Fees.
5. Additional commissions, which result from renegotiation of leases incurred following an interruption to the project.
6. Additional reasonable "Building Systems Commissioning" Expense, not to exceed \$25,000, which becomes necessary as a result of a "Loss". "Building Systems Commissioning" means the systematic process of ensuring that a building's complex array of systems is designed, installed, and tested to perform according to the design intent and the building owner's operational needs. "Building Systems Commissioning" applies to newly installed or repaired systems.

"Rental Value" means the actual loss of net rental income (net profit or loss before income taxes) that would have been earned if there had been no "Loss", less charges and expenses that do not continue during the period of delay.

"Loss of Earnings" means the actual loss of net earnings which result from the project's delay.

#### **D. Optional Green Plus Coverage**

If Optional Green Plus Coverage is selected in the Schedule to this endorsement, then the following provisions also apply to a Covered Cause of Loss to Covered Property:

"Rental Value" means the actual loss of net rental income from signed leases which result from the project's delay including the delay for the period of time that construction has been extended beyond the projected completion date that existed before the "Loss" occurred, to comply with the extra procedures and process necessary to meet the level of The United States Green Building Council or Green Building Initiative certification incorporated into the building design prior to the "Loss".

If "your" building design includes Alternative Power Generating Equipment or Alternative Water Systems and these systems are completed and become operational prior to a "Loss", then suffer direct physical loss or damage due to a "Loss", then Loss of Earnings also means:

1. The extra expense "you" incur to purchase replacement power or water from a public utility until such time as the Alternative Power Generating Equipment or Alternative Water System is repaired or replaced and is fully operational to manufacturer's specifications; or
2. The loss of income "you" incur if your Alternative Power Generating Equipment feeds surplus power into a public utility power grid and that public utility credits, reimburses or provides rebates to "you" for that power, until such time as the Alternative Power Generating Equipment is repaired or replaced and is fully operational.

"Alternative Power Generating Equipment" means the following equipment that uses renewable resources to generate electricity:

1. Solar energy systems,
2. Wind energy systems,
3. Geothermal energy systems,
4. Low impact hydro systems,
5. Bio-mass systems, or
6. Bio-gas systems.

"Alternative Water Systems" consisting of, below ground water pipes and water pumps, cisterns and holding tanks, whether situated above or below ground, and which are situated within 1000 feet of the described building that circulate gray water, ground water or rain water to the building's domestic, non-potable, water supply or to on site water treatment facilities or to a holding facility for outside irrigation including structures to collect rainwater and/or groundwater for these purposes, but does not include underground pipes or sprinkler heads intended solely for purposes of landscape irrigation that are not part of your Alternative Water Systems installation.

All other matters not provided for in this Endorsement shall be governed by the terms and conditions of the policy to which this Endorsement is attached. If a condition of the policy directly conflicts with a condition of this Endorsement, the condition of this Endorsement will supersede the condition of the policy.

This Form must be attached to Change Endorsement when issued after the policy is written.



## Allianz Global Corporate & Specialty®

### Construction Block – Protective Safeguards Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

Expiration Date

The additional provisions of this endorsement apply to coverage under the CB 4710 Construction Coverage Form attached to this policy.

**Protective Safeguards Schedule:** Protective Safeguards indicated by an ☒ apply to this policy:

Loc.	Fence	Lighting	Hot Work Operations	On Site Security	Surveillance System	Other
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Selected Protective Safeguards for Fence, Lighting, On Site Security, Surveillance System and Other shall be in place continuously during non-working hours (at all times when construction is not taking place).

**Fence:** The entire construction "Site" perimeter shall be protected by a six foot chain length fence securely anchored on the ground with gates through the chain link fence that will be securely locked during non-working hours.

**Lighting:** The entire construction "Site" shall be well-lit from sunset to sunrise each day.

**Surveillance System:** The entire construction "Site" perimeter shall be monitored by a detection/surveillance system, designed and installed by a qualified contractor. The system shall employ an adequate number of motion detectors and/or motion sensing cameras, live monitored by personnel at an Underwriters Laboratories (U.L.) listed central station, in order to provide complete perimeter protection and video verification of a construction project "Site" intrusion. The response protocol of the local police department shall be taken into consideration in the design of the system.

"Hot Work Operations"

"Hot Work Operations" means:

- (1) The process whereby one or more of the parts to be joined is heated near or above its melting point and the heated surfaces are caused to flow together;
- (2) The process of applying heat to the spot to be severed, gouged or pieced, and the metal is burned in a jet of oxygen;
- (3) Grinding operations that generate sparks;
- (4) Torch-on roofing operations;
- (5) Roof tarring operations.

"Hot Work Operations" shall meet the following requirements:

- (1) All combustible materials within thirty-five (35) feet of the "Hot Work Operations" must be relocated or shielded by non-combustible coverings such as welding blankets.
- (2) No "Hot Work Operations" shall be performed within thirty-five (35) feet of walls or ceilings of combustible construction unless protected by non-combustible coverings such as welding blankets.
- (3) If the area in which "Hot Work Operations" are being performed is under operative sprinkler protection, the sprinklers in that area must be operative during welding or cutting operations.

- (4) Fire extinguishers or a hand hose must be located at the area where "Hot Work Operations" are being performed. A designated person must be included in the welding or cutting team whose sole responsibility is to watch for sparks and promptly use the fire extinguishing equipment.
- (5) After "Hot Work Operations" are completed, a designated person with immediate access to fire extinguishing equipment must maintain a continuous fire watch for a minimum of thirty minutes followed by a "Site" inspection thirty minutes later.

#### On "Site" Security Guards

The entire project "Site" shall be patrolled by on-site, bonded security guards at all times when construction or installation activity is not taking place. The guards shall complete recorded rounds on a no less than hourly basis, and the rounds shall be digitally recorded. They will be provided a telephone for use at all times while on duty. It is required that the name of the security company providing on "Site" security services be delivered before binding any project.

Other protective safeguards (describe if checked above):

The protective safeguards indicated in the Schedule applicable to this Endorsement Part must be maintained in full working order at the locations specified. If they are not, "we" have no duty to pay "you" for a "Loss" that the protective safeguard was intended to prevent or reduce. If any specified protective safeguard is not functional "you" must notify "us" immediately so that "we" may endorse the policy. Even if "you" report that a protective safeguard is not functional, "we" have the right not to continue coverage.

This Form must be attached to the Change Endorsement when issued after the policy is written.

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	AGCS Marine Insurance Company
<b>TOI/Sub-TOI:</b>	09.0 Inland Marine/09.0005 Other Commercial Inland Marine		
<b>Product Name:</b>	Traditional Non-Filed Inland Marine		
<b>Project Name/Number:</b>	AGCS Inland Marine-Construction Block Form Filing/NWCM0616		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Readability Certificate
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Copy of Trust Agreement
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Expedited SERFF Filing Transmittal Form
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Comparison Copy
<b>Comments:</b>	
<b>Attachment(s):</b>	CB 4710 10 16 - Construction Block Coverage Form - Compare.pdf CB 4715 10 16 Construction Block-Additional Coverages End - Compare.pdf CB 4717 10 16 Construction Block-Construction Plus End - Compare.pdf CB 4718 10 16 Construction Block-Rate Sch - Compare.pdf CB 4721 10 16 Construction Block-Earth Movement End - Compare.pdf CB 4722 10 16 Construction Block-Water End - Compare.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Explanatory Memorandum
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<b>SERFF Tracking #:</b>	FFDC-130800798	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	NDCCM0616
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<b>State:</b>	District of Columbia	<b>Filing Company:</b>	AGCS Marine Insurance Company
<b>TOI/Sub-TOI:</b>	09.0 Inland Marine/09.0005 Other Commercial Inland Marine		
<b>Product Name:</b>	Traditional Non-Filed Inland Marine		
<b>Project Name/Number:</b>	AGCS Inland Marine-Construction Block Form Filing/NWCM0616		

<b>Comments:</b>	
<b>Attachment(s):</b>	Construction Block Filing Memorandum_DC rev.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	





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### Construction Block Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "~~us~~" and "our" refer to AGCS Marine Insurance Company, the Company providing this      insurance. Other words and phrases that appear in quotation marks have special meaning. They may be defined subsequently or their definitions may be found in Refer to Section F. Definitions.

In return for ~~your~~ your payment of the premium shown in the Declarations which are part of this policy, ~~we~~ we provide the coverage described herein subject to all the conditions of this policy. ~~This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records.~~ Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

#### A. Coverage

We will pay for ~~direct physical~~ Loss ~~of or damage~~ to Covered Property from any of the Covered Causes of Loss.

##### 1. Covered Property

a. Covered Property means:

- (1) Your equipment, tools and machinery, including spare parts, repair parts and accessories that ~~you~~ you own or for which ~~you~~ you are liable.
- (2) Buildings or structures in the course of construction including property used in or incidental to construction at a construction site. Labor and profit are included.
- (3) Materials, supplies, machinery, equipment and fixtures ~~you~~ you own or for which ~~you~~ you are liable or which ~~you~~ you have contracted to install or erect provided that the values for this property have been reported to the company if this policy is issued on a reporting basis. Labor and profit are included.

b. Coverage Conditions

(1) Duration of Coverage

- (a) With respect to A.1.a.(2) and A.1.a.(3) ~~we~~ we will provide coverage from the time Covered Property becomes ~~your~~ your responsibility, during construction or installation, including while Covered Property is being transported to the construction or installation site until ~~your interest in, or responsibility for, the Covered Property ceases or expiration of the policy, whichever occurs first.~~ one of the following situations occurs:

(i) The policy expires;

(ii) "Your" interest in, or responsibility for, any Covered Property ceases; or

(iii) The "Covered Property" is accepted by the purchaser or owner.

##### ~~2. Property Not Covered~~

~~Covered Property does not include:~~

- ~~a. Aircraft; watercraft; automobiles, motor trucks licensed for highway use, motorcycles, motor scooters, or any other vehicles designed primarily for highway use; (including motors, equipment and accessories);~~
- ~~b. Penalties for, or expenses incurred as a result of delay, in completion of contract terms; conditions of noncompliance with contract terms conditions; or from any guarantee of performance or production;~~

~~c. Land or land values;~~

~~d. Water;~~

~~e. Contraband, or property in the course of illegal transportation or trade.~~

### **23. Covered Causes of Loss**

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

### **34. Extensions of Additional Coverages**

#### **a. Contract Penalty Clause Coverage**

1. "We" will pay the contractual penalties "you" are required to pay to "your" customers as a result of any clause in "your" contracts for failure to timely deliver "your" product according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to Covered Property.
2. The most "we" will pay for penalties for all contracts in any one "Occurrence" is \$25,000.

#### **b. Debris Removal Coverage**

- (1) "We" will pay your "your" reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us "us" in writing within 180 days of the date of the direct physical loss or damage.
- (2) The most we "we" will pay under this Additional Coverage is the lesser of 25% of:
  - (a) The amount we "we" pay for the direct physical "Loss" or damage to Covered Property; plus the deductible in this policy applicable to that "Loss" or damage; or
  - (b) The applicable Limit of Insurance for Covered Property:
    - (i) At the Job Site;
    - (ii) At a location other than the Job Site; or
    - (iii) In Transit;
 Where the "Loss" occurs.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.
- (c) This Additional Coverage does not apply to costs to:
  - (i) Extract "Pollutants" from land or water; or
  - (ii) Remove, restore or replace polluted land or water.

#### **c. Denial of Access by Civil Authority**

"We" will pay for additional reasonable expense "you" incur as a result of a delay in the completion of the installation or construction at any one construction site resulting from the actions of a Civil Authority to deny ingress or egress to the construction site due to unsafe road conditions resulting from a Covered Cause of Loss provided that:

- (1) All roads providing ingress or egress to the construction site have been closed by the Civil Authority; and
- (2) "You" would not have incurred a delay but for the closure of all roads providing ingress or egress to the "Site";

This coverage begins seventy-two (72) hours after the action of a Civil Authority to deny ingress or egress to the construction site. The most "we" will pay under this Additional Coverage is \$100,000 in any one "Occurrence" for reasonable expenses incurred as a result of delay following the 72 hour waiting period.

#### **d. Earnings, Rents and Soft Costs**

"We" cover "Loss of Earnings" and "Rental Values" you "you" lose, or "Soft Costs" you "you" incur because of a Covered Cause of Loss under the policy. The most we "we" will pay for any one "Loss" occurrence is \$25,000. "Soft costs" means additional expenses over and above the projected

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cost of the covered construction project which occurs because of a Covered Cause of Loss which delays the project, and are limited to just these things~~the following~~:

- (1) Additional interest expense on money ~~you~~"you" borrow to finance construction or repair;
- (2) Additional realty taxes and ~~other~~ real estate assessments which you incur for the period of time that construction has been extended beyond the projected completion date that existed before the loss occurred;
- (3) Additional advertising and promotional expenses which become necessary as a result of a covered loss; ~~and~~
- (4) Additional ~~costs such as~~ commissions, which result from renegotiation of leases ~~and other similar extra expenses incurred~~ following an interruption to the project; ~~and~~
- (5) Additional reasonable and necessary legal, accounting, architectural, artisan or archival consultation expenses which you incur because of a "Loss".

### e. Employee's Tools and Work Clothing

"We" cover tools and work clothing of "Employees" for which ~~you~~"you" may be liable while such tools and work clothing are located at job sites or while in transit to or from job sites in ~~your~~"your" vehicles. "We" shall not be liable for more than \$25,000 in any one "Loss", involving property of a number of "Employees", nor for more than \$2,500 with respect to property of any one "Employee". The deductible clause does not apply to this additional coverage.

### f. Equipment Rental Cost Reimbursement

"We" will cover expenses necessarily incurred to rent substitute equipment when Covered Property as described in A.1 and insured by this policy is rendered unusable by a Covered Cause of Loss.

You agree to substitute other equivalent equipment at ~~your~~"your" disposal, if available.

The most ~~we~~"we" will pay for rental expenses in any one ~~loss~~ "Occurrence" is \$25,000.

### g. Equipment Rental Fees Reimbursement

If rented or leased equipment covered under this form is damaged by a Covered Cause of Loss "we" will pay lessee incurred rental fees of the equipment at the regular rental rate until the equipment has been repaired or replaced or thirty (30) consecutive days have elapsed, whichever first occurs.

"We" will pay the actual pro-rated rental fee.

The most "we" will pay in any one "Occurrence" under this additional coverage is \$25,000.

### ~~g.~~h. Expendable Supplies

"We" will cover fuel, oil, grease and similar expendable supplies, usual to ~~your~~"your" operations, lost or destroyed in a ~~covered~~ "Loss". The most ~~we~~"we" will pay in any one "Loss" is \$5,000 unless such items are specifically covered for more.

### ~~e. Employee's Tools and Work Clothing~~

~~We cover tools and work clothing of employees for which you may be liable while such tools and work clothing are located at job sites or while in transit to or from job sites in your vehicles. We shall not be liable for more than \$25,000 in any one loss, involving property of a number of employees, nor for more than \$2,500 with respect to property of any one employee. The deductible clause does not apply to this additional coverage.~~

### ~~f. Service Charges and Responding Fire Departments~~

~~We will pay up to \$5,000 for fire department services charges that you incur when a fire department is called to save or protect covered property from an insured peril. Fire department service charges mean charges that you assume by contract or agreement prior to loss or charges you are required to pay by local ordinance if the fire department is called to save or protect the Covered Property from a covered cause of loss.~~

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### **ig. Fire Protection Devices**

"We" will pay up to ~~\$7~~<sup>\$25</sup>,000 in expenses you incur to recharge or refill any fire protection devices discharged as a result of fire or explosion. This additional coverage will not apply while actual work is being performed upon the system or while the system is being tested.

### **j. "Fungi"**

(1) If "Fungi" results from a "Loss", "we" will pay for the necessary and reasonable cost incurred to test for, monitor, abate, mitigate, remove, dispose of, or remediate "Fungi".

(2) Coverage provided by this extension applies only if the presence of "Fungi" is reported to "us" within 30 days of the occurrence of the "Loss" that is alleged to have caused this condition.

The most "we" will pay under this coverage extension in any one "Occurrence" or in the "Annual Aggregate" during this policy period is \$25,000 or a higher amount if indicated in the Declarations. The provisions of this extension do not increase any Limits of Insurance provided by this policy.

### **k. Green Building Certification**

"We" will pay additional reasonable registration or certification fees, not to exceed \$25,000, made necessary by a "Loss" to re-register or re-certify "your" building with The United States Green Building Council or Green Building Initiative.

### **l. Increased Costs of Construction Materials and Labor**

"We" will pay up to \$100,000 for the increased costs of construction materials and labor "you" incur due to a delay in completing previously undamaged or unfinished portions of a building or structure.

This Additional Coverage shall not apply to any other type of delay, including a delay which existed at the time of the "Loss" or a delay which is not a direct result of Covered Cause of Loss to Covered Property.

### **m. Indoor Air Quality**

"We" will pay additional reasonable expense, not to exceed \$25,000, which becomes necessary as a result of a "Loss" to restore Indoor Air Quality to standards "you" have established in Indoor Air Quality Management Plan in a manner consistent with the procedures specified by the LEED NC® Green Building Rating System of the United States Green Building Council. This includes the additional reasonable and necessary expense to flush out the reconstructed space with 100% outside air and new filtration media following reconstruction in a manner consistent with the procedures specified by the LEED EB® Green Building Rating System of the United States Green Building Council.

### **n. Loss Information Expenses**

"We" will pay "your" reasonable expenses incurred at "our" request, to assist "us" in adjusting a "Loss". Loss Information Expenses include the cost of taking inventory, performing appraisals and providing documentation to assist "us" in determining the extent of "your" "Loss".

"We" will not pay for costs or expenses for:

(1) Legal services;

(2) Public adjusters;

(3) Appraisals in Section E. Conditions 8. Appraisal below:

(4) The purpose of negotiating or establishing that a claim is covered by this policy; or

(5) Any insurance broker, agent, claims consultant or any person or entity acting on their behalf unless requested by "us" in writing.

The most "we" will pay is \$25,000 in any one "Occurrence".

### **o. Pollutant Cleanup and Removal**

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"We" will pay "your" reasonable cost to extract "Pollutants" from land or water. The release, discharge or dispersal of the "Pollutants" must result from a "Loss" and must occur during the policy period.

This coverage only applies if no later than 180 (one hundred eighty) days from the date of "Loss" or from the end of the policy period, whichever comes first, "you":

1. Discover the "Loss"; and
2. Report the "Loss" to "us" in writing.

"We" will not pay:

1. The cost to repair, replace or restore property damaged or destroyed by extraction of "Pollutants";
2. The cost to extract "Pollutants" from land or water:
  - a. at any location used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
  - b. at any location if the "Pollutants" are released, dispersed or discharged from a location which is used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
  - c. at any location if the "Pollutants" arise out of or are a consequence of nuclear reaction or radiation, or radioactive contamination.
  - d. the cost of testing, evaluating, observing or recording the existence, level or effects of "Pollutants".

The most "we" will pay under this Additional Coverage is \$10,000 in any one year commencing with policy inception. This amount is in addition to the Limit of Insurance shown in the Declarations for all "Covered Property" in any one "Occurrence". If this policy is written for a term of more than one year, "we" will apply this limit separately to each consecutive year of the policy period.

The Coinsurance provision in this policy does not apply to this Additional Coverage.

### **p. Recycling Diversion Expense**

"We" will pay additional reasonable expense, not to exceed \$25,000, which becomes necessary because of a "Loss" for the increased costs "you" incur to divert debris caused by or resulting from a "Loss" from "your" covered building to recycling facilities rather than landfills, if such debris can be recycled. Any income or remuneration derived from the recycling shall be used to reduce the "Loss".

### **q. Removal to Preserve Covered Property**

"We" will cover "Loss" to Covered Property while being moved to or stored at a temporary location to preserve Covered Property from an imminent threat of "Loss". "We" will also cover "Loss" to Covered Property while being moved back to the "Site" from a temporary location provided that "you" do so within a reasonable time after the imminent threat of "Loss" has passed.

If "you" remove Covered Property to a temporary location to avoid an imminent threat of "Loss", "you" must inform "us" within ten (10) days of removal or no coverage will apply. This additional coverage does not extend past the policy expiration date.

"We" will pay the necessary and reasonable expenses "you" incur in moving and storing Covered Property to preserve it from an imminent threat of "Loss". The most we will pay under this Additional Coverage is \$25,000 in any one "Occurrence".

### **r. Reward Coverage**

"We" will reimburse "you" for any reward payments "you" make leading to:

(1) The successful recovery of stolen "Covered Property" involving a Covered Cause of Loss; or

(2) The arrest and conviction of any persons who have damaged or stolen any of the "Covered Property" involving a Covered Cause of Loss.

The most "we" will pay is \$5,000 in any one "Occurrence". No deductible applies to this Additional Coverage.

**s. Scaffolding Forms or Falsework**

"We" will cover expenses to erect new scaffolding, forms or falsework when the original scaffolding forms or falsework, covered by this policy has been damaged or destroyed in a "Loss".

**t. Service Charges and Responding Fire Departments**

"We" will pay up to \$25,000 for fire department services charges that you incur when a fire department is called to save or protect covered property from an insured peril. Fire department service charges mean charges that you assume by contract or agreement prior to loss or charges you are required to pay by local ordinance if the fire department is called to save or protect the Covered Property from a covered cause of loss.

**u. Sinkhole Collapse**

"We" will pay for "Loss" caused by or resulting from risks of "Loss" involving collapse of covered property caused only by "Sinkhole Collapse".

**v. Valuable Papers and Records**

"We" will pay for "Loss" to replace or restore lost or damaged "Valuable Papers and Records", including those which exist on electronic media for which there are no duplicates.

This Additional Coverage extends only to "Loss" to "Valuable Papers and Records" which are:

(1) On the construction or installation "Site" or within five hundred (500) feet of the construction or installation "Site", or

(2) "Valuable Papers and Records" which are in transit to or from the construction or installation "Site".

The most "we" will pay is \$50,000 in any one "Occurrence".

**4. Property Not Covered**

Covered Property does not include:

**a.** Aircraft; watercraft; automobiles, motor trucks licensed for highway use, motorcycles, motor scooters, or any other "Vehicles" designed primarily for highway use; (including motors, equipment and accessories);

**b.** Penalties for, or expenses incurred as a result of delay, in completion of contract terms; conditions of noncompliance with contract terms conditions; or from any guarantee of performance or production;

**c.** Land or land values;

**d.** Water;

**e.** Contraband or property in the course of illegal transportation or trade;

**f.** Increased costs of construction materials and labor in completing previously undamaged or unfinished portions of a construction project, except as provided in 4. Additional Coverages, i. Increased Costs of Construction Materials and Labor;

**g.** Any real property and fixtures that existed prior to the construction or improvements, alterations or repairs, and any real or personal property that existed or was in the course of construction prior to the inception of this policy unless provided by endorsement; and

**h.** Any real property, machinery, equipment and fixtures that will be demolished or permanently removed in the course of construction of additions, alterations or repairs.

**B. Exclusions**



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1. "We" will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

### a. Ordinance ~~or~~ Law

- (1) The enforcement of any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or
  - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion applies whether the loss or damage results from:
  - (a) An ordinance or law that is enforced even if the property has not been damaged; or
  - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.

### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a ~~man-made~~ mine, whether or not mining activity has ceased; or
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in **b. (1) through (4)** above, results in fire or explosion, ~~we~~ "we" will pay for the "Loss" ~~or damage~~ caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or "Volcanic Action", ~~we~~ "we" will pay for the "Loss" ~~or damage~~ caused by that fire, building glass breakage or Volcanic Action.

"Volcanic Action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

~~All Earth Movements that occur within any 168-hour period will constitute a single occurrence.~~

"Volcanic Action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

All Earth Movements that occur within any 168-hour period will constitute a single "Occurrence".

This exclusion does not apply to Covered Property insured under Section A.1.a. (1) of this coverage form.

### c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But ~~we~~ "we" will pay for "Loss" ~~or damage~~ caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

### d. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or

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- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause whether controlled or uncontrolled. But if nuclear reaction or radiation, or radioactive contamination results in fire, ~~we~~ "we" will pay for the ~~direct "Loss" or damage~~ caused by that fire if the fire would be covered under this coverage form.

### e. War ~~a~~ And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

### f. Water

- (1) Flood, surface water, waves ~~(including tidal wave and tsunami), tides,~~ tidal water, storm surge, tsunami or the overflow of any body of water, ~~or spray from any of these,~~ all whether ~~or not~~ driven by wind or not ~~(including storm surge)~~; or
- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2) is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, ~~we~~ "we" will pay for the ~~direct "Loss" or damage~~ caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

This exclusion does not apply to Covered Property insured under Section A.1.a. (1) of this coverage form.

### g. Fungi, Wet Rot ~~a~~ And Dry Rot

Presence, growth, proliferation, spread or any activity of "Fungi", or wet or dry rot.

But if "Fungi", or wet or dry rot results in a Covered Cause of Loss, ~~we~~ "we" will pay for the ~~"Loss" or damage~~ caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "Fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in Section A.4 ~~the Additional Coverage—Limited Coverage For—"Fungi", Wet Rot And Dry Rot—~~ with respect to ~~"Loss" or damage~~ by a cause of loss other than fire or lightning.

### h. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. "We" will not pay for loss or damage caused by or resulting from any of the following:



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- a. Delay, loss of use, loss of market or any other consequential loss.
  - b. Unexplained disappearance.
  - c. Shortage found upon taking inventory.
  - d. Dishonest or criminal act committed by:
    - (1) "You", any of ~~your~~"your" partners, "Employees", directors, trustees, or authorized representatives;
    - (2) A manager or a member if ~~you~~"you" are a limited liability company;
    - (3) Anyone else with an interest in the Covered Property, or their employees or authorized representatives; or
    - (4) Anyone else to whom the Covered Property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by ~~your~~"your" employees. But theft by "Employees" is not covered.
  - e. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
    - (1) Electrical or electronic wire, device, appliance, system or network; or
    - (2) Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, ~~we~~"we" will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

    - (1) Electrical current, including arcing;
    - (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
    - (3) Pulse of electromagnetic energy; or
    - (4) Electromagnetic waves or microwaves.
  - f. Voluntary parting with any property by ~~you~~"you" or anyone entrusted with the Covered Property ~~if induced to do so by any fraudulent scheme, trick, device or false pretense.~~
  - g. Unauthorized instructions to transfer property to any person or to any place.
  - h. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.
3. "We" will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, ~~we~~"we" will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - ~~b. Faulty, inadequate or defective:
 
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance; of part or all of any property wherever located.~~
  - be. Wear and tear.
  - cd. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
  - de. Insects, birds, rodents or other animals.

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- ef.** Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.
- fg.** Mechanical breakdown or derangement, rupture, bursting or disintegration of the rotating or moving parts of machines resulting from centrifugal or reciprocating force; however, ~~we~~ we will pay for physical damage to any other covered property resulting from these occurrences.
- gh.** Any condition or event inside steam boilers, steam pipes, steam engines, or steam turbines, or caused by or resulting from any condition or event inside such boilers or equipment. But ~~we~~ we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- hi.** Any condition or event inside hot water boilers or caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.
- j.** ~~All costs and expenses incurred in the reengineering, redesign, or reworking of any faulty or defective workmanship, materials or design of covered property. We will pay for physical damage to other covered property resulting from such faulty or defective workmanship, materials or design if discovered as a result of, or aggravated by, a peril or occurrence not otherwise excluded in this policy.~~
- ik.** Testing, unless fire or explosion follows. Then ~~we~~ we will pay the "Loss" caused by such fire or explosion.

### 4. "We" will not pay for loss by or resulting from defective, faulty or inadequate:

a. Planning, zoning, development, surveying, siting;

b. Design, plan, specification, workmanship, repair, construction, renovation, remodeling, grading or compaction;

c. Materials used in repair, construction, renovation or remodeling; or

d. Maintenance;

of part or all of any Covered Property wherever located.

"We" will pay for "Loss" to other Covered Property which is free of the defective, faulty or inadequate condition excluded in 4.a. through d., but is damaged in consequence thereof.

"We" will not pay for any costs or expenses incurred to access Covered Property in order to replace, repair or rectify the defective, faulty or inadequate condition excluded in 4.a through d. above.

For the purpose of this policy and not merely this exclusion, Covered Property shall not be regarded as lost or damaged solely because of the existence of any defective, faulty or inadequate condition excluded in 4.a through d. above.

### **C. Deductible**

"We" will not pay for loss or damage in any one "Occurrence" until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. "We" will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, "we" will apply only the highest amount that is applicable.

The deductible appearing elsewhere in this policy shall not apply with respects to Additional Coverages b. through t. and v.

### **D. Limits of Insurance**

The most ~~we~~ we will pay for "Loss" or damage in any one "Occurrence" is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

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### 1. Debris Removal Coverage but, if:

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

"We" will pay up to an additional \$100,000 or 10% of the limit of insurance, whichever is less.

### 2. "Sinkhole Collapse"

### 3. "Fungi".

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

### ~~D. Deductible~~

~~We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.~~

~~If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.~~

~~The deductible appearing elsewhere in this policy shall not apply with respects to Additional Coverages b. through g.~~

### E. ~~Additional Conditions~~

#### 1. Cancellation

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to "us" advance written notice of cancellation.

- a. "We" may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - (i) Ten (10) days before the effective date of cancellation if "we" cancel for nonpayment of premium; or
  - (ii) Thirty (30) days before the effective date of cancellation if "we" cancel for any other reason.
- b. "We" will mail or deliver "our" notice to the first Named Insured's last mailing address known to "us".
- c. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- d. If this policy is cancelled, "we" will send the first Named Insured any premium refund due. If "we" cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if "we" have not made or offered a refund.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### 2. Changes

This policy contains all the agreements between "you" and "us" concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by "us" and made a part of this policy.

#### 3. Examination of "Your" Books and Records

"We" may examine and audit "your" books and records as they relate to this policy at any time during the policy period and up to three (3) years afterward.

#### 4. Inspections and Surveys

- a. "We" have the right to:
  - (i) Make inspections and surveys at any time;
  - (ii) Give "you" reports on the conditions "we" find; and

(iii) Recommend changes.

b. "We" are not obligated to make any inspections, surveys, reports or recommendations and any such actions "we" do undertake relate only to insurability and the premiums to be charged. "We" do not make safety inspections. "We" do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And "we" do not warrant that conditions:

(i) Are safe or healthful; or

(ii) Comply with laws, regulations, codes or standards.

c. Paragraphs a. and b. of this condition apply not only to "us", but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

d. Paragraph b. of this condition does not apply to any inspections, surveys, reports or recommendations "we" may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

**5. Premiums**

The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums "we" pay.

**6. Transfer of "Your" Rights and Duties under This Policy**

"Your" rights and duties under this policy may not be transferred without "our" written consent except in the case of death of an individual Named Insured.

If "you" die, "your" rights and duties will be transferred to "your" legal representative, but only while acting within the scope of duties as "your" legal representative. Until "your" legal representative is appointed, anyone having proper temporary custody of Covered Property will have "your" rights and duties, but only with respect to that property.

**7. Abandonment**

There can be no abandonment of any property to "us".

**8. Appraisal**

If "you" and "we" fail to agree on the amount of "Loss" to "Covered Property", either one of "us" can ask that the amount of "Loss" be established by appraisal. To start the appraisal process, either "you" or "we" must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within thirty (30) days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within fifteen (15) days, either "you" or "we" may have an umpire selected by a court located in the same state as the "Covered Property". The appraisers will then set the amount of the "Loss". A copy of their report will be given to "you" and to "us". The amount they agree upon will be the amount of "Loss".

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the "Loss". "You" will pay "your" appraiser and "we" will pay "ours". The umpire's fee and other appraisal expenses will be shared equally by "you" and "us".

If "we" submit to an appraisal, "we" will still retain "our" right to deny the claim.

**9. Duties in the Event of Loss**

"You" must see that the following are done in the event of a loss which may be covered by this policy:

a. Notify the police if a law may have been broken.

b. Give "us" or "our" authorized representative prompt notice of the loss, including a description of the property involved. "You" must also file with "us" or "our" agent, a detailed sworn proof of loss within sixty (60) days following the loss or damage. "We" will supply you with the necessary forms.

- c. As soon as possible, give "us" a description of how, when and where the loss occurred.
- d. Take all reasonable steps to protect the Covered Property from further damage and keep a record of "your" expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. Also if feasible, set the damaged property aside and in the best possible order for examination. If "you" move the property to a safe place, that property will continue to be covered, and "we" will reimburse "you" for the reasonable expenses for doing so. "You" must tell "us" as soon as practical that "you" have moved the property to a safe place. Any payments "we" make under this provision are within the applicable Limits of Insurance.
- e. "You" will neither, admit liability, nor, except at "your" own cost, voluntarily make a payment, assume any obligation, or incur any expense without "our" consent.
- f. As often as may be reasonably required, permit "us" to inspect the property proving the "Loss" and examine "your" books and records.  
Also permit "us" to take samples of damaged and undamaged property for inspection, testing and analysis, and permit "us" to make copies from "your" books and records.
- g. "We" may examine any insured under oath, while not in the presence of any other insured (or any officer, director, "Employee", independent contractor, agent or representative of any insured) and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's (or any officer, director, employee, independent contractor, agent or representative of any insured's) answers must be signed.
- h. Immediately send "us" copies of any demands, notices, summonses or legal papers received in connection with the claim or "Suit".
- j. Cooperate with "us" in the investigation, settlement or defense of the claim or suit.

#### **10. Insurance under Two or More Coverages**

If two or more of this policy's coverages apply to the same "Loss", "we" will not pay more than the actual amount of the "Loss" not exceeding the applicable Limit of Insurance.

- 11. ~~The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:~~**  
**How Covered Property Will Be Valued in the Event of "Loss"**

##### **a. Actual Cash Value**

If a "Loss" occurs and the valuation basis shown in the Declarations applicable to the Covered Property is Actual Cash Value, ~~we~~"we" will determine the value of the lost or damaged property at Actual Cash Value as of the time of the "Loss" ~~or damage~~.

##### **b. Replacement Cost**

If a "Loss" occurs and the valuation basis shown in the Declarations applicable to the Covered Property is Replacement Cost:

- (1) "We" will determine the value of the lost or damaged property at Replacement Cost as of the time of "Loss" ~~or damage~~, except as provided below.
- (2) "You" may make a claim for "Loss" ~~or damage~~ covered by this insurance on an Actual Cash Value basis instead of a Replacement Cost basis.  
In the event you elect to have "Loss" ~~or damage~~ settled on an Actual Cash Value basis, ~~you~~"you" may still make a claim for the addition coverage which Replacement Cost provides if ~~you~~"you" notify ~~us~~"us" of ~~your~~"your" intent to do so within 180 days after the loss or damage.
- (3) "We" will not pay on a Replacement Cost basis for any "Loss" ~~or damage~~ until the lost or damaged property is actually repaired or replaced.
- (4) "We" will not pay more for the "Loss" ~~or damage~~ on a Replacement Cost basis than the least of the following:
  - (a) The limit of insurance applicable to the lost or damaged property;

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- (b) The cost to replace, on the same premises, the lost or damaged property with other new property:
  - (i) Of like kind~~comparable material~~ and quality; and
  - (ii) Used for the same purpose; or
- (c) The amount ~~you~~"you" actually spend that is necessary to repair or replace the lost or damaged property.

### ~~c. Operational Replacement Cost~~

~~If a loss occurs and the valuation basis shown in the Declarations applicable to the covered property is Operation Replacement Cost:~~

- ~~(1) We will determine the value of the lost or damaged property at Operational Replacement Cost as of the time of the loss or damage, except as provided below.~~
- ~~(2) You may make a claim for loss or damage covered by this insurance on an Actual Cash Value basis instead of on an Operational Replacement Cost basis. In the event you elect to have loss or damage settled on an Actual Cash Value basis, you may still make a claim for the additional coverage which Operation Replacement Cost provides if you notify us of your intent to do so within 180 days after the loss or damage.~~
- ~~(3) We will not pay on an Operation Replacement Cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced.~~
- ~~(4) We will not pay more for loss or damage on an Operational Replacement Cost basis than the least of the following:~~
  - ~~(a) The limit of insurance applicable to the lost or damaged property;~~
  - ~~(b) The cost to replace, on the same premises, the lost or damaged property with other new property;~~
  - ~~(i) Of increased function and comparable capacity; and~~
  - ~~(ii) Used to perform the same function; or~~
  - ~~(c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.~~
- ~~(5) You may have other insurance covering the same property as this insurance. This insurance is primary and will not contribute with any insurance except for other Operational Replacement Cost Insurance.~~

### ~~cd. Stated Value~~

~~If a "Loss" occurs and the valuation basis shown under the schedule is Stated Value, ~~we~~"we" will determine the value of the lost or damaged property at Stated Value as of the time of the "Loss" ~~or damage.~~~~

## 12. Loss Payment

- a. "We" will give notice of "our" intentions within thirty (30) days after we receive the sworn proof of loss or a judgment against "you".
- b. "We" will not pay "you" more than "your" financial interest in the Covered Property.
- c. "We" may adjust any "Loss" with the owners of Covered Property if other than "you". If "we" pay the owners, such payments will satisfy "your" claim against "us" for "your" legal liability for Covered Property owned by others. "We" will not pay the owners more than their financial interest in the Covered Property.
- d. "We" will pay for a "Loss" within 30 days after "we" receive the sworn proof of loss if "you" have complied with all the terms of this Coverage Part and:
  - (i) "We" have reached agreement with "you" on the amount of the "Loss"; or
  - (ii) An appraisal award has been made.
- e. "We" will not be liable for any part of a "Loss" that has been paid or made good by others.

## 13. Other Insurance



- a. "You" may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If "you" do, "we" will pay "our" share of the covered "Loss". "our" share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If other insurance covers the same "Loss", other than that described in a. above, "we" will pay only for the amount of covered "Loss" in excess of the amount due from that other insurance, whether "you" can collect on it or not. But "we" will not pay more than the applicable Limit of Insurance.

#### **14. Pair, Sets or Parts**

##### **a. Pair or Set**

In case of "Loss" to any part of a pair or set, "we" will pay no more than the least of the following:

- (i) The cost to repair or replace any part to restore the pair or set to its value before the "Loss"; or
- (ii) The difference between the values of the pair or set before and after the "Loss".

##### **b. Parts**

In case of "Loss" to any part of "Covered Property" consisting of several parts when complete, "we" will only pay for the value of the lost or damaged part.

#### **15. Loss Payee**

"We" will pay "you" and any loss payees, including blanket loss payees, as the interest of each may appear.

"You" will supply the name address and telephone number of each loss payee in the event of a "Loss".

#### **16. Recovered Property**

If either "you" or "we" recover any property after loss settlement, that party must give the other prompt notice. At "your" option, the property will be returned to "you". "You" must then return to "us" the amount "we" paid to "you" for the property. "We" will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### **17. Reinstatement of Limit after Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total "Loss" of a scheduled item, or if an annual aggregate is exhausted.

#### **18. Transfer of Rights of Recovery against Others to "Us"**

If any person or organization to or for whom "we" make a payment under this Coverage Part has rights to recover damages from another, those rights are transferred to "us" to the extent of "our" payment. That person or organization must do everything necessary to secure "our" rights and must do nothing after "Loss" to impair them. If that person or organization does anything to impair "our" rights after a "Loss", "we" will not have to pay the "Loss". But "you" may waive "your" rights against another party by giving notice to "us" and the other party in writing:

##### **a. Prior to a "Loss".**

##### **b. After a "Loss" only if, at time of "Loss", that party is one of the following:**

- (i) Someone insured by this insurance; or
- (ii) A business firm:
  - (a) Owned or controlled by "you"; or
  - (b) That owns or controls "you".

This will not restrict "your" insurance.

#### **19. Concealment, Misrepresentation or Fraud**

This Coverage Form is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by "you" or any other insured, at any time, concerning:

##### **a. This Coverage Form:**

- b. The Covered Property;
- c. "Your" interest in the Covered Property;
- d. A claim under this Coverage Form.

## **20. Acts by others beyond "Your" Control**

Any act or neglect of any person other than "you" beyond "your" direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of "Loss", the breach of condition does not exist.

## **21. Legal Action against "Us"**

- a. "You" may not bring a legal action against "us" for "Loss" to Covered Property under this coverage form unless:
  - (i) There has been full compliance with all the terms of this coverage form; and
  - (ii) The action is brought within two (2) years after "you" first have knowledge of the "Loss".

If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

## **22. No Benefit to Bailee**

No person or organization, other than "you", having custody of Covered Property will benefit from this insurance.

## **23. Policy Period**

"We" cover "Loss" commencing:

- a. During the policy period shown in the General Declarations the policy period begins and ends at 12:01 a.m., Standard Time, at "your" address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time; and,
- b. Within the coverage territory.

## **24. "Your" Name and Address**

"Your" name and address as the Named Insured shall be as specified in the General Declarations.

## **25. The Declarations**

The Declarations show "you" which coverages "you" have purchased and the limits of insurance that apply. "You" have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, "you" agree that:

- a. The statements in the Declarations are "your" agreements and representations; and
- b. That this policy is issued in reliance on the truth of such representations.

## **26. ~~The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:~~**

### **a- Coverage Territory**

- (1) "We" cover property wherever located within:
  - (a) The ~~Continental~~ United States of America;
  - (b) ~~The District of Columbia;~~
  - (b~~c~~) ~~Alaska~~
  - (c) ~~Hawaii~~
  - (d) Puerto Rico; and
  - (e~~d~~) Canada.

## **27. Salvage Recovery**



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In the event of any salvage recovery resulting from a Covered Cause of Loss, such salvage recovery shall be paid first to "us" up to the full amount of the covered "Loss", and then to "you".

### **28b. Partial Loss, Waiver of Depreciation**

If, under the valuation basis specified in the Declarations, Actual Cash Value is specified for the item included, no deduction shall be taken on the adjustment of any partial loss that does not exceed 20% of the Actual Cash Value of the item involved.

If two or more items are involved in the same loss occurrence, this condition shall apply to each item separately.

### **29. Sanctions**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

## **F. Definitions**

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Loss of Earnings" means the actual loss of net earnings which result from the project's delay.
- ~~4. "Operational Replacement Cost" means the cost to replace the lost or damaged property with new property intended to perform the same operation.~~
- ~~5.4. "Rental Value" means the actual loss of net rental income from signed leases which result from the project's delay.~~
- ~~6. "Replacement Cost" means the cost to replace with new property of comparable material and quality and used for the same purpose without deduction for depreciation.~~
- ~~7.5. "Sinkhole Collapse" means the sudden sinking or collapse of land into underground empty space created by the action of water on limestone or dolomite. It does not include the cost of filling sinkholes or sinking or collapse of land into man-made underground cavities.~~
- ~~8.6. "Site" means one of the locations where you "you" are working with Covered Pproperty that is insured by this policy.~~
- ~~9. "Soft Costs" means additional expense over and above the projected cost of the covered construction project which occurs because of a covered loss which delays the project.~~
- ~~10. 7. "Stated Value" means the Limit of Insurance, or no more than the proportion of loss of property bears to the limit of insurance shown under the schedule.~~
- ~~8. "Structure" means property, other than buildings, that are constructed by you "you" and insured by this policy.~~
9. "Loss" means direct and accidental physical loss, destruction or damage caused by a Covered Cause of Loss external to any Property.
10. "Vehicle" means a land motorized vehicle, private passenger type vehicle, truck, tractor, trailer, semitrailer or dolly used to convert a semitrailer into a trailer.
11. "Occurrence" means any one "Loss", catastrophe, disaster, casualty or series of "Losses", catastrophes, disasters or casualties arising out of one event.
12. "Employee" means:
  - a. Any natural person:
    - (1) While in "your" service; and

- (2) Whom "you" compensate directly by salary, wages or commissions; and
- (3) Whom "you" have the right to direct and control while performing services for "you"; or
- (4) Any natural person employed by an employment contractor while that person is subject to "your" direction and control and performing services for "you".

**b. But "Employee" does not mean any:**

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character unless an owner operator "you" have hired;
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee; or
- (3) "Employee" for whom similar prior insurance has been cancelled and not been reinstated since the last cancellation.

13. "Fire Resistive" means buildings where the exterior walls, floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of two hours or more. Also included are buildings that are constructed of masonry materials with floors, joist members and roofs of metal or steel construction.

14. "Frame" means any building which in its finished form, is composed of more than 20% wood frame construction.

15. "Joisted Masonry" means any building with exterior walls that are constructed of masonry materials such as brick, concrete, hollow concrete block, stone or similar material with floors or roof joist members of wood construction. This would include tilt-up construction.

16. "Non-combustible" means any building where the exterior walls and floors are constructed of and supported by unprotected metal or steel.

17. "Masonry Non-combustible" means buildings with exterior walls or masonry that are not less than four inches thick or buildings with exterior walls of fire resistive construction with a fire resistance rating of not less than one hour.

18. "Modified Fire Resistive" means buildings with exterior walls, floors and roofs of masonry materials or fire resistive materials with a fire resistance rating of less than two hours, but no less than one hour.



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## Construction Block Additional Coverages Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

~~Effective Date~~ Expiration Date

Insurance is provided only for which a Limit of Insurance is shown in these ~~se Declarations~~ Coverage Description Schedule below and the most "we" will pay for "Loss" or damage in any one "Occurrence" is the applicable Limit of Insurance shown in these ~~se Declarations~~ Coverage Description Schedule.

"We" will not pay for "Loss" ~~or damage~~ in any one "Occurrence" until the amount of the adjusted "Loss" ~~or damage~~ before applying the applicable Limit of Insurance exceeds the Deductible shown in the Coverage Description Schedule ~~Declarations~~. "We" will then pay the amount of the adjusted "Loss" ~~or damage~~ in excess of the Deductible, up to the applicable Limit of Insurance.

No coverage is provided unless a limit of insurance is shown in the Coverage Description Schedule below.

Coverage Description Schedule	Limit of Insurance	Deductible
<del>Ordinance or Law</del>	\$ _____	\$ _____
Existing Building	\$ _____	\$ _____
Expediting Expenses	\$ _____	\$ _____

### Ordinance or Law

#### Limits of Insurance

<u>Loc.</u>	<u>Coverage A</u>	<u>Coverage B</u>	<u>Coverage C</u>	<u>Coverage B and C Combined</u>
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____

Ordinance or Law Deductible: \$ \_\_\_\_\_

Additional Endorsements: The following Additional Endorsements apply only if selected as shown by an ☒ in the corresponding box below:

**Applicable**

**Not Applicable**

~~Blanket Additional Insured/Loss Payee~~ ☐ ☐

☐ Unintentional Errors or Omissions ☐ ☐

~~Protective Safeguards~~ ☐ ☐

☐ Increased Costs of Labor and Construction Materials Coverage

Coverage Descriptions:

## **Ordinance or Law:**

A. Each Coverage – Coverage A, Coverage B and Coverage C – is provided under this endorsement only if that coverage (s) is chosen by entry in the above Schedule and then only with respects to the building identified for that Coverage(s) in the Schedule.

### B. Application of Coverage(s)

The Coverage(s) provided by this endorsement apply only if both B.1. and B.2. are satisfied and then subject to the qualifications set forth in B.3.

#### 1. The ordinance or law:

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

#### 2. a. The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or

b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.

c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.

#### 3. In the situation described in B.2.b above, “we” will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, “we” will pay a proportion of such loss; meaning the proportion that we covered direct physical damage bears to the total physical damage.

C. “We” will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

#### 1. Coverage A – Coverage for Loss to the Undamaged Portion of the Building

With respects to the building that has sustained covered direct physical damage, “we” will pay under Coverage A for the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the building.

Coverage A is included within the Limit of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

#### 2. Coverage B – Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, “we” will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that required demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

### 3. Coverage C – Increased Cost of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, “we” will pay the increased cost to:

(1) Repair or reconstruct damaged portions of that building; and/or

(2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

When the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

(3) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

(4) “We” will not pay the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction.

b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with C.3.a above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in C.3.a:

(1) The cost of excavations, grading, backfilling;

(2) Foundation of the building;

(3) Pilings; and

(4) Underground pipes, flues and drains.

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, C.3.b.

### D. Loss Payment

1. All following loss payment provisions, D.2. through D.5., are subject to the appointment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:

a. If the property is being repaired or replaced, on the same or another premises, “we” will not pay more than the lesser of:

(1) The amount “you” would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

(2) The Limit of Insurance shown in the declarations as applicable to the covered building.

3. Unless Paragraph D.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

"We" will not pay more than the lesser of the following

- a. The amount you actually spend to demolish and clear the site of the described premises; or
  - b. The applicable Limit of Insurance shown for Coverage B in the schedule above.
4. Unless Paragraph D.5. applies, loss payment under Coverage C – Increased Cost of Construction Coverage will be determined as follows:
- a. "We" will not pay under Coverage C:
    - (1) Until the property is actually repaired or replaced, at the same or another premises; and
    - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. "We" may extend this period in writing during the two years.
  - b. If the building is repaired or replaced at the same premises, or if "you" elect to rebuild at another premises, the most "we" will pay under Coverage C is the lesser of:
    - (1) The increased cost of construction at the same premises; or
    - (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.
  - c. If the ordinance or law requires relocation to another premises, the most "we" will pay under Coverage C is the lesser of:
    - (1) The increased cost of construction at the new premises; or
    - (2) The applicable Limit of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit of Insurance is shown for Coverages B and C in the Schedule above, paragraphs D.3 and D.4 of this endorsement do not apply with respects to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most "we" will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit of Insurance shown for Coverages B and C in the Schedule above. Subject to this combined Limit of Insurance, the following loss payment provisions apply:

- a. For Demolition Cost, "we" will not pay more than the amount "you" actually spend to demolish and clear the site of the described premises:
  - (1) "We" will not pay for the increased cost of construction:
    - (a) Until the property is actually repaired or replaced, at the same or another premises; and
    - (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. "We" may extend this period in writing during the two years.
  - (2) If the building is repaired or replaced at the same premises, or if "you" elect to rebuild at another premises, the most "we" will pay for the increased cost of construction is the increased cost of construction at the same premises.
  - (3) If the ordinance or law requires relocation to another premises, the most "we" will pay for the increased cost of construction is the increased cost of construction at the new premises.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Under this endorsement "we" will not pay for loss due to any ordinance or law that:

1. "You" were required to comply with before the loss, even if the building was undamaged; and
2. "You" failed to comply with.

G. Example of Proportionate loss Payment for Ordinance or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance of Law Coverage C of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\text{\$30,000} \div \text{\$100,000} = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\text{\$60,000} \times .30 = \text{\$18,000}$$

In this example, the most "we" will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

NOTE: The same procedure applies to losses under Coverage A and B of this endorsement.

~~Exclusion a. Ordinance or Law under B. Exclusions is deleted.~~

~~Ordinance or Law coverage is provided for loss or damage caused by or resulting from the enforcement of any ordinance or law:~~

- ~~(1) Regulating the construction, use or repair of any property; or~~
- ~~(2) Requiring the tearing down of any property, including the cost of removing its debris; and~~
- ~~(3) That is in force at the time of the loss or damage.~~

~~This extension of coverage does not apply to the following:~~

- ~~(1) An ordinance or law that is in force even if the property has not been damaged; or~~

~~(2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss or damage to that property.~~

#### Existing Building:

~~The following is added to Section A.24.ga. Property Not Covered in the Construction Block Coverage Form is deleted. Property:~~

The following is added to A.1. Covered Property:

- (4) "We" do provide coverage for Real Property, Machinery, Equipment and Fixtures which existed prior to the construction or improvements, alterations or repairs. However, "we" do not provide coverage for such Real Property, Machinery, Equipment and Fixtures that will be demolished or permanently removed in the course of construction of additions, alterations or repairs

If a loss occurs to an existing building ~~and the valuation basis shown in the declaration applicable to the covered property is Actual Cash Value,~~ "we" will determine the value of the lost or damaged property at Actual Cash Value as of the time of the "Loss" or damage ~~The first paragraph under E.1.a – "Actual Cash Value" of How Covered Property Will Be Valued in the Event of Loss or Damage will be in accordance with the A. Actual Cash Value clause~~ exclusive of any artistic, antiquarian, landmark or historical value. "We" will not pay more than the limits shown in the Coverage Description Schedule of state in this endorsement.

#### Expediting Expenses:

Subject to the limits shown in the Coverage Description Schedule ~~is endorsement~~, "we" cover the "Reasonable Extra Costs" to make temporary repairs and to expedite the permanent repair or replacement of your equipment, tools and machinery that "you" own or for which "you" are liable in the event of a covered cause of loss. The most "we" will pay is the actual expense you incur, but not more than the Limit of Insurance shown in the schedule above. "You" are responsible for any additional expense. "We" will subtract the deductible amount shown in the schedule above from the amount of "Loss" in any one "Occurrence".

"Reasonable Extra costs" means additional wages for overtime, night work, and work on public holidays; and the extra costs of express freight or other rapid means of transportation. "Reasonable Extra Costs" excludes increased costs of construction materials and labor "you" incur due to a delay in completing previously undamaged or unfinished portions of a construction project resulting from a Covered Cause of Loss to Covered Property.

#### Additional Endorsements:

##### ~~Blanket Additional Insured/Loss Payee~~

~~Blanket Additional Insureds and Loss Payees are added for covered property under Construction Block Coverage Form as their interest(s) may appear under a written agreement with you prior to any loss.~~

#### Unintentional Errors or Omissions

~~It is agreed that "Your" failure to disclose all hazards existing on the effective date of this policy shall not prejudice "you" with respect to the coverage afforded by this policy provided such failure or any omission is not intentional.~~

#### Increased Costs of Labor and Construction Materials

"We" will provide coverage for increased costs of labor and construction materials in the event that "you" suffer a total "Loss" to Covered Property defined in Section A.1.a.(2) of the Construction Block Coverage Form. "We" will also provide coverage for the costs of changes to specifications of the construction project "you" must make following a total "Loss" to Covered Property.

The most "we" will pay for this coverage is five percent (5%) of the Construction Project Site Limits of Insurance listed in item (2) of the Construction Block Declarations or \$500,000, whichever is less.



This Coverage does not apply to any other Limits of Insurance, including but not limited to Expediting Expenses, Loss of Earnings, Rental Value or Soft Costs or Optional Green Plus Coverage.

**Protective Safeguards**

\_\_\_\_\_ **Applies** \_\_\_\_\_ **Does not apply**

Watchman on site during non working hours ☐ \_\_\_\_\_ ☐

Alarm System ☐ \_\_\_\_\_ ☐

Other described below ☐ \_\_\_\_\_ ☐

Description of Other: \_\_\_\_\_

~~The protective safeguards indicated above must be in place. If they are not, we have no duty to pay you for a loss that the protective safeguard was intended to prevent or reduce. If any specified protective safeguard is not function, you must notify us immediately. If you report that a protective safeguard is not in place, we have the right not to continue coverage.~~

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

~~(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)~~

This Form must be attached to Change Endorsement when issued after the policy is written.

# Allianz Global Corporate & Specialty®

## Construction Block - Construction Plus Endorsement Commercial Inland Marine

Insured	Policy Number
	<u>Effective Date</u>
Producer	<del>Effective Date</del> <u>Expiration Date</u>

**Schedule**—The following coverages ~~s options~~ are added or may be modified into the CB 4710 Construction Block Coverage Form:

### Maximum Amounts

Coverage Description	Schedule	Limit of Insurance
A. Accounts Receivable		\$
B. Computer Coverage		\$
C. Contract Penalty Clause		\$
D. <del>Scaffold, Form, and Falsework Coverage</del> <u>Equipment Rental Cost Reimbursement</u>		\$
<u>Measure of Recovery for Equipment Rental Cost Reimbursement:</u>		
<u>\$</u> per		
E. <u>Goodwill</u> <del>Rigging Coverage</del>		\$
F. <u>Coverage</u> <del>Rigging Coverage</del> <u>Service Work</u>		\$
G. <u>Service Work Coverage</u> <del>Goodwill Coverage</del>		\$
H. Testing		\$
I. Valuable Papers		\$

~~(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)~~

~~For details of these special coverage amounts, please read below.~~

### Special Coverages Provided:

~~Subject to all other policy terms and conditions.~~

#### A. Accounts Receivable

"We" cover your records of balances owed "you" by your customers. "We" cover such records against "Loss". ~~from a cause of loss covered by this policy.~~

"We" will pay the following when they result from loss or damage to these records:

1. Sums owed "you" by customers which you cannot collect;
2. Interest charges "you" must pay on loans obtained to offset impaired collections;
3. That part of "your" collection costs that exceeds "your" normal collection costs;
4. Other costs "you" reasonably incur to restore your records.

Unless a different limit of insurance is shown in the Coverage Description Schedule, t~~he~~ most ~~we~~ "we" will pay in any one ~~loss~~ "Occurrence" is \$100,000.

#### B. Computer Coverage

"We" will cover your "C"omputer E"quipment", "M"edia", "D"ata" and "P"rograms" ~~up to a total limit of \$50,000 unless otherwise endorsed.~~ "We" will cover ~~direct physical~~ "Loss" ~~or damage~~ to "C"omputer E"quipment", "M"edia", "D"ata" and "P"rograms", which "you" own, lease or rent from others or for which you are legally responsible. "We" will pay the replacement cost of reproducing lost or accidentally erased "D"ata", "P"rograms", ~~documentation and source materials~~ provided "you" actually replace or reproduce them.

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"Computer Equipment" means machines, or a network of machines, whose function is the acceptance and processing of "Data" in accordance with a plan or "Program".

"Data" means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.

"Media" means materials on which "Data" are recorded or stored.

"Programs" means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any "Occurrence" is \$50,000.

~~Causes of Loss we Do Not Cover Clause 5.G. shall not apply to this computer coverage.~~

### C. Contract Penalty Clause Coverage

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section 3.a.2. of the Coverage Form is deleted, and the new limit is shown in the Description Coverage Schedule.

~~1. We will pay the contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must solely result from direct physical loss or damage by a Covered Cause of Loss to **Covered Property**.~~

~~2. The most we will pay for penalties for all contracts in any one occurrence is \$25,000~~

### D. Equipment Rental Cost Reimbursement

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section A.3.f. of the Coverage Form is deleted, and the new limit is shown in the Description Coverage Schedule.

### E. Goodwill Coverage

If, as a result of a "Loss" at a "Site", "you" will not be able to complete or finish the construction or installation on time, "we" will cover additional project expenses to finish the work provided the expenses incurred are reasonable and allow "you" to make the contracted date. Such expenses will include but will not be limited to costs to expedite replacement parts or materials, additional labor expense and rental expense for additional equipment.

### ~~Scaffold, Form and Falsework Coverage~~

~~We will cover expenses to erect new scaffolding, forms or falsework when the original scaffolding, forms or falsework, covered by this policy, has been damaged or destroyed in a covered loss.~~

The most ~~we~~ "we" will pay in any one "Loss" ~~occurrence~~ is \$25,000.

### ~~FE~~ Rigging Coverage

"We" cover property of others that you agree to move, lift, hoist or lower. Unless a different limit of insurance is shown in the Coverage Description Schedule, the most ~~we~~ "we" will pay in any one loss ~~"Occurrence"~~ is \$50,000.

### ~~GF~~ Service Work Coverage

"We" cover ~~p~~Property of others for "Loss" or damage that occurs during service calls "you" make on Property that "you" originally installed. Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any one loss ~~"Occurrence"~~ is \$25,000.

### G. Goodwill Coverage

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~~If, as a result of a covered loss at a covered site, you will not be able to complete or finish the construction or installation on time, we will cover additional project expenses to finish the work provided the expenses incurred are reasonable and allow you to make the contracted date. Such expenses will include but will not be limited to costs to expedite replacement parts or materials, additional labor expense and rental expense for additional equipment.~~

~~The most we will pay in any loss occurrence is \$25,000.~~

### H. Testing

Exclusions B.3.f and B.3.i. are deleted. "We" cover "Loss" to **Covered Property** resulting from testing. ~~Exclusion B.3.k. is deleted; however,~~

Unless a different limit of insurance is shown in the Coverage Description Schedule, the most "we" will pay in any oneless "Occurrence" is \$25,000.

### H. Valuable Papers and Records

If a Limit of Insurance is shown in the Coverage Schedule Endorsement above, the limit in Section A.3.u. is deleted, and the new limit is shown in the Description Coverage Schedule. ~~We cover the valuable papers and records you use in your business against loss from a cause of loss covered by this policy. Such papers and records include books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts and those records which exist in electronic or magnetic media and film, negatives, disks, slides, photographs and video tape.~~

~~We will pay the research and other costs necessary to reproduce, replace or restore such papers and records. The most we will pay in any loss occurrence is \$25,000.~~

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

This Form must be attached to Change Endorsement when issued after the policy is written.

# Allianz Global Corporate & Specialty®

## Construction Block - Rate Schedule

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

~~Effective Date~~ Expiration Date

### Rate Schedule

#### Covered Property

- Contractor's Equipment as described in A.1.a.(1) of the Coverage Form ~~Policy~~.  
Reporting conditions under this policy do apply to Contractor's Equipment.

#### Type of Equipment

Rate

Premium

\$  
\$  
\$  
\$  
\$

\$  
\$  
\$  
\$  
\$

- Buildings, or structures in the course of construction as described in A.1.a.(2) of the Coverage Form ~~Policy~~.

#### Type of Construction

Rate

"Frame"  
"Joisted Masonry"  
"Non-Combustible"  
"Masonry Noncombustible"  
"Modified Fire Resistive"  
"Fire Resistive"  
~~Other~~

\$  
\$  
\$  
\$  
\$

#### Type of Installation

Rate

- Materials, supplies, machinery, equipment and fixtures you are installing as described in A.1.a.(3) of the Coverage Form ~~Policy~~.

Rates shown above are ☐ Monthly ☐ Quarterly ☐ Annually ☐ Other

Rates shown above are per \$100 unless otherwise indicated.

3. Minimum Premium \$

4. Deposit Premium \$

### Reporting Conditions

#### Covered Property

- Buildings, or structures in the course of construction as described in A.1.a.(23) of the Coverage Form ~~Policy~~.

Premium Base  
Units "Completed Value" Gross Sales Gross Receipts Other

☐ ☐ ☐ ☐ ☐

- Materials, supplies, machinery, equipment and fixtures you are installing as described in A.1.a.(3) of the Coverage Form ~~Policy~~.

☐ ☐ ☐ ☐ ☐

#### When You Will Report

Monthly ☐ Quarterly ☐ Annually ☐ Other ☐

~~(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)~~

### 7. Minimum Premium

The total annual earned premium for this policy shall not be less than the minimum premium designated above. In the event the earned premium otherwise due is less than the specified minimum annual premium, an additional premium equal to the difference shall be due and payable by "you" as of the expiration date of this policy.

## 8. Cancellation

In the event of cancellation, as provided in the General Provisions of this policy, "you" will report all the Premium Base which has accrued between the date of the reporting period prior to cancellation and the actual day of cancellation, and pay premium thereon at the agreed rate.

## 9. Reports

- A. "You" agree to keep an accurate record of the premium base for each type of property indicated under **Covered Property** as of the last day of the reporting period indicated above under **When You Will Report**.

This report(s) must be made to "us" no later than thirty (30) days following the last day of the reporting period. "We" will then compute the earned premium for the coverage of the **Covered Property** using the rates shown in this Endorsement.

- B. "We" have agreed to provide this coverage for a Deposit Premium. The earned premium determined by multiplying the rates stated in this endorsement by the Reporting Base(s), will be subtracted from the Deposit Premium until the Deposit Premium is completely earned. When "we" have earned the total Deposit Premium, "you" agree to pay "us" additional earned premium with each required report.
- C. Even though "you" are required to pay "us" premium based on the Premium Base, we will never pay you more than the applicable limit of the insurance provided in this policy.
- D. "We" may examine and audit your books and records as they relate to this insurance, at any time during the policy period and up to three years afterward.
- E. If this policy is cancelled for any reason, "you" will report to "us" the Premium Base of the **Covered Property** as of the date the cancellation is effective. "We" will compute the earned premium on a pro rata basis.

## 10. Definitions

- A. "Completed Value" means the total contract or specification value of the construction or installation at completion in accord with the specifications for the project.
- ~~B. Fire Resistive means buildings where the exterior walls, floors and roof are constructed of masonry or fire resistive material with a fire resistance rating of one hour or more. Also included are buildings that are constructed of masonry materials with floors, joist members and roofs of metal or steel construction.~~
- ~~C. Frame means any building which in its finished form, is composed of more than 20% wood frame construction.~~
- ~~D. Joisted Masonry means any building with exterior walls that are constructed of masonry materials such as brick, concrete, hollow concrete block, stone or similar material with floors or roof joist members of wood construction. This would include tilt-up construction.~~
- ~~E. Non-combustible means any building where the exterior walls, and floors are constructed of and supported by unprotected metal or steel.~~
- B.F.** "Premium Base" means units, "completed value", gross sales, gross receipts or other as described in this endorsement.

ALL OTHER MATTERS NOT PROVIDED FOR IN THIS ENDORSEMENT SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED. IF A CONDITION OF THE POLICY DIRECTLY CONFLICTS WITH A CONDITION OF THIS ENDORSEMENT, THE CONDITION OF THIS ENDORSEMENT WILL SUPERSEDE THE CONDITION OF THE POLICY.

This Form must be attached to Change Endorsement when issued after the policy is written.



## Allianz Global Corporate & Specialty®

### Construction Block - Earth Movement Coverage Endorsement

Commercial Inland Marine

Insured

Policy Number

Effective Date

Producer

~~Effective Date~~ Expiration Date

#### Schedule

"Site(s)" Loc.

No.(s) and Addresses

Sublimit of Insurance

Any One Earth Movement "Occurrence"

Sublimit of Insurance

Annual Aggregate

Deductible

**Limit of Insurance**

**Site**

\$

**Per occurrence**

\$

**Aggregate**

\$

**Deductible**

~~(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)~~

#### A. Causes of Loss

~~Under Exclusions B.1.b~~ in the Construction Block Coverage Form, ~~exclusion B.1.b.~~ relating to Earth Movement is deleted, but only at the "Sites" shown above.

#### B. Limits of Insurance

We will adjust any ~~covered~~ "Loss" from such peril separately from any other loss. We will not pay more than the Limit of Insurance shown in the Schedule applicable to this Earth Movement Endorsement or the actual "Loss", whichever is less. The limit that applies in any one "Occurrence" is our total liability for all claims for earth movement arising out of a single "Occurrence".

#### C. Deductible

Before we pay any ~~covered "Loss" or damage~~, we will subtract from the amount of loss the Deductible Amount shown in the Schedule applicable to this coverage. If more than one Deductible applies to a single "Loss", we will apply only the highest amount applicable.

#### D. Applicable Terms

This endorsement is otherwise subject to all the terms, conditions, provisions and stipulations of the policy to which it is attached.

#### E. Earth Movement Definition

"Earth Movement" means:

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a mine, whether or not mining activity has ceased;  
(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;

(5) Volcanic eruption, explosion or effusion; or

(6) "Volcanic Action"

"Volcanic Action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

"Volcanic Action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

All earth movement incidents that occur within any 168 hours period will constitute a single "Occurrence". The limit that applies in any one occurrence is our total liability for all claims for earth movement arising out of a single occurrence.

This Form must be attached to Change Endorsement when issued after the policy is written.



# Allianz Global Corporate & Specialty®

## Construction Block – Water Coverage Endorsement~~Flood~~ Commercial Inland Marine

Insured \_\_\_\_\_ Policy Number \_\_\_\_\_  
Effective Date \_\_\_\_\_  
Producer \_\_\_\_\_ ~~Effective Date~~ Expiration Date \_\_\_\_\_

### Schedule

<u>"Site(s)"</u>	<u>Loc. No.(s)</u>	<u>Sublimit of Insurance Any One Water "Occurrence"</u>	<u>Sublimit of Insurance Annual Aggregate</u>	<u>Deductible</u>
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____	\$ _____

No coverage is provided unless a sublimit of insurance is shown in the Schedule above.

### A. Causes of Loss

For an additional premium, "W~~w~~ater", is added as a Covered Cause of Loss under the CB 4710 Construction Block Coverage Form specified below and exclusion 1.f. Water, is deleted, but only at the sites shown above~~below~~:

### Sites Covered by the Endorsement

Site(s)  
\_\_\_\_\_

### B. Limits of Insurance

- Regardless of any other limits stated in this policy or the number of locations involved, the most "we" will pay for any "L~~l~~oss" caused by, resulting from, contributed to or made worse by any one "W~~w~~ater" "Occurrence" ~~disaster~~ is the amount shown in the Schedule above \$ \_\_\_\_\_ ~~not to exceed \$ \_\_\_\_\_ in the aggregate~~ for all covered locations during the policy period.

If the policy to which this endorsement is attached is written for a period of more than one year, "we" will apply the annual aggregate limit separately to each consecutive year of the policy period.

- The Sublimits shown in the Schedule below are included within the policy loss limit under B.1. of this endorsement and do not increase the Limit of Insurance applying to the damaged property.

### Schedule of Sublimits

<u>Loc. No.(s)</u>	<u>Coverage</u>	<u>Sublimit of Insurance Any One Flood</u>	<u>Sublimit of Insurance Annual Aggregate</u>	<u>Deductible</u>
_____	_____	\$ _____	\$ _____	\$ _____

### C. Deductible

"We" will not pay for "L~~l~~oss" or damage from any one W~~w~~ater "Occurrence" until the amount of "L~~l~~oss" or damage exceeds \$ \_\_\_\_\_ ~~or~~ the amount shown in the Schedule under B.2. above as applicable to any one location. We will then pay the amount of "L~~l~~oss" or damage in excess of the Deductible, up to the applicable amount of insurance. ~~No other Deductible applies to coverage provided by this endorsement.~~

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If more than one deductible is applicable under this endorsement, “we” will only apply the highest single deductible amount in any one “Occurrence”.

### D. Applicable Terms

### E. “Water” Definition

\_\_\_ “Water” means:

(1) Flood, surface water, waves tidal water, storm surge, tsunami or the overflow of a body of \_\_\_ water, all whether driven by wind or not; or

(2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1)

\_\_\_ This endorsement is otherwise subject to all the terms, conditions, provisions and stipulations of the policy to which it is attached.

~~(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)~~

This Form must be attached to Change Endorsement when issued after the policy is written.

**AGCS Marine Insurance Company  
COMMERCIAL INLAND MARINE – CONSTRUCTION BLOCK  
FORM FILING MEMORANDUM**

The AGCS Marine Insurance Company is filing form revisions and introducing a new form for our Construction Block commercial inland marine class of business. A copy of each form and endorsement described below is included with this filing.

The Company proposes implementing the forms described below for new and renewal business with an effective date of January 15, 2017.

**CONSTRUCTION BLOCK**

**Revised Forms**

**CB 4710 10 16 - Construction Block Coverage Form**

This coverage form is used to provide coverage for the insured's equipment, tools and machinery; buildings or structures in the course of construction; and materials, supplies, machinery, equipment and fixtures that the insured has contracted to install or erect or for which the insured is liable. With this revision of the coverage form, we will no longer use IL 0017 - Common Policy Conditions, NIM 1050 - Commercial Inland Marine Conditions, IM 8002 - Fungi Limitation Endorsement and IM 8013 - Pollutant Removal Endorsement with this class of coverage. The conditions and provisions in these forms have been incorporated into the coverage form. There is no rate impact with this form revision.

**CB 4715 10 16 - Construction Block - Additional Coverages Endorsement**

This optional endorsement is available to provide an additional coverage, cover additional property or extend coverage if a limit of insurance is shown or if an indicator denoting coverage is displayed on the endorsement schedule. With this revision, CB 4716 - Construction Block – Ordinance or Law Endorsement is withdrawn. There is no rate impact with this form revision.

**CB 4717 10 16 - Construction Block - Construction Plus Endorsement**

This optional endorsement amends the policy to include additional coverages. With this revision, CB 4720 - Construction Block – Testing Endorsement is withdrawn. There is no rate impact with this form revision.

**CB 4718 10 16 - Construction Block - Rate Schedule**

This schedule is used to display rates for covered property and premium. It also provides reporting conditions, if applicable. There is no rate impact with this form revision.

**CB 4721 10 16 - Construction Block - Earth Movement Endorsement**

This optional endorsement amends the policy to provide earth movement coverage on a sublimited basis. There is no rate impact with this form revision.

**CB 4722 10 16 - Construction Block – Water Coverage Endorsement**

This optional endorsement is available to provide water coverage on a sublimited basis. There is no rate impact with this form revision.

**New Forms****CB 4725 10 16 – Construction Block - Earnings, Rents and Soft Costs Endorsement with Optional Green Plus Coverage Endorsement**

This optional endorsement is available to provide earnings, rents and soft costs coverage with the option to provide additional “green” coverages. With the proposal of this new endorsement, CB 4719 - Construction Block – Soft Cost Endorsement is withdrawn. There is no rate impact with this optional endorsement.

**CB 4726 10 16 – Construction Block - Protective Safeguards Endorsement**

This optional endorsement is available to provide protective safeguards. There is no rate impact for this optional endorsement.

**State Amendatory Endorsement****IL 0278DC 09 08 – District of Columbia Changes – Cancellation and Nonrenewal**

ISO filed form to comply with District of Columbia Cancellation and Nonrenewal Conditions and will be attached to all policies.